DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS FOR 1987

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

NINETY-NINTH CONGRESS

SECOND SESSION

SUBCOMMITTEE ON THE DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES

NEAL SMITH, Iowa, *Chairman*

BILL ALEXANDER, Arkansas	GEORGE M. O'BRIEN, Illinois
JOSEPH D. EARLY, Massachusetts	RALPH REGULA, Ohio
BERNARD J. DWYER, New Jersey	HAROLD ROGERS, Kentucky
BOB CARR, Michigan	
EDWARD P. BOLAND, Massachusetts	

JOHN G. OSTHAUS and TERRY D. BEVELS, *Staff Assistants*

PART 5

Page
Legal Services Corporation 1
Small Business Administration 295
United States Information Agency 455

Printed for the use of the Committee on Appropriations

U.S. GOVERNMENT PRINTING OFFICE
59-486 O WASHINGTON : 1986

For sale by the Superintendent of Documents, Congressional Sales Office
U.S. Government Printing Office, Washington, DC 20402

H181-28

COMMITTEE ON APPROPRIATIONS

JAMIE L. WHITTEN, Mississippi, *Chairman*

EDWARD P. BOLAND, Massachusetts
WILLIAM H. NATCHER, Kentucky
NEAL SMITH, Iowa
JOSEPH P. ADDABBO, New York
SIDNEY R. YATES, Illinois
DAVID R. OBEY, Wisconsin
EDWARD R. ROYBAL, California
LOUIS STOKES, Ohio
TOM BEVILL, Alabama
BILL CHAPPELL, Jr., Florida
BILL ALEXANDER, Arkansas
JOHN P. MURTHA, Pennsylvania
BOB TRAXLER, Michigan
JOSEPH D. EARLY, Massachusetts
CHARLES WILSON, Texas
LINDY (MRS. HALE) BOGGS, Louisiana
NORMAN D. DICKS, Washington
MATTHEW F. McHUGH, New York
WILLIAM LEHMAN, Florida
MARTIN OLAV SABO, Minnesota
JULIAN C. DIXON, California
VIC FAZIO, California
W. G. (BILL) HEFNER, North Carolina
LES AuCOIN, Oregon
DANIEL K. AKAKA, Hawaii
WES WATKINS, Oklahoma
WILLIAM H. GRAY III, Pennsylvania
BERNARD J. DWYER, New Jersey
BILL BONER, Tennessee
STENY H. HOYER, Maryland
BOB CARR, Michigan
ROBERT J. MRAZEK, New York
RICHARD J. DURBIN, Illinois
RONALD D. COLEMAN, Texas

SILVIO O. CONTE, Massachusetts
JOSEPH M. McDADE, Pennsylvania
JOHN T. MYERS, Indiana
CLARENCE E. MILLER, Ohio
LAWRENCE COUGHLIN, Pennsylvania
C. W. BILL YOUNG, Florida
JACK F. KEMP, New York
RALPH REGULA, Ohio
GEORGE M. O'BRIEN, Illinois
VIRGINIA SMITH, Nebraska
ELDON RUDD, Arizona
CARL D. PURSELL, Michigan
MICKEY EDWARDS, Oklahoma
BOB LIVINGSTON, Louisiana
BILL GREEN, New York
TOM LOEFFLER, Texas
JERRY LEWIS, California
JOHN EDWARD PORTER, Illinois
HAROLD ROGERS, Kentucky
JOE SKEEN, New Mexico
FRANK R. WOLF, Virginia
BILL LOWERY, California

FREDERICK G. MOHRMAN, *Clerk and Staff Director*

DEPARTMENTS OF COMMERCE, JUSTICE, STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS FOR 1987

TUESDAY, FEBRUARY 25, 1986.

LEGAL SERVICES CORPORATION

WITNESSES

PEPE J. MENDEZ, CHAIRMAN, COMMITTEE ON AUDIT AND APPROPRIATIONS OF THE BOARD OF DIRECTORS

JAMES H. WENTZEL, PRESIDENT

Mr. SMITH. Our next item is the FY 1987 budget request for the Legal Services Corporation. The budget request is for $305,500,000, the same amount that was appropriated for FY 1986. The amount available for FY 1986 after sequestration under Public Law 99-177 is $292,363,000.

We will insert the budget justification in support of the request as well as a budget dissent of Legal Services Corporation Board Member, LeaAnne Bernstein, both of which have been submitted to the Committee.

[The materials follow:]

BUDGET REQUEST
FOR
FISCAL YEAR 1987

Submitted to Congress

LEGAL
SERVICES
CORPORATION

JUSTICE

400 Virginia Ave., S.W., Washington, D.C. 20024-2751

I. INTRODUCTION AND SUMMARY

The Legal Services Corporation requests an appropriation of $305,500,000 for fiscal year 1987.

---

* At the December, 1985 meeting of the LSC Board of Directors, Board Member LeaAnne Bernstein moved that the Corporation submit a budget target of no more than $280 million. Her dissent from the LSC Board-passed budget request will follow.

A. History and Structure

The Legal Services Corporation Act and regulations define the basic governing structure of both the Corporation and its recipients. The authorizing statute provides for a Board of Directors appointed by the President and confirmed by the Senate to establish the policy and the agenda of the Corporation. Recipient boards, bound by the Legal Services Corporation Act and regulations, establish service priorities based on the needs of the eligible clients in their local areas and determine the most effective means of delivering legal assistance in their communities.

Federal funds were first used to provide attorneys for the poor in 1965 under the Economic Opportunity Act of 1964. Many of the OEO funded programs saw their role as advocates of political and social change and only secondarily as legal counsel to individuals unable to afford the cost of attorneys in cases which had no political impact. In creating the Legal Services Corporation in 1974, Congress sought to depoliticize the provision of legal services by creating a private corporation with a bipartisan board and statutory restrictions on lobbying and political advocacy.

In 1981, the House of Representatives passed H.R. 3480, a reauthorization bill which placed strong restrictions on the ability of the program to divert LSC funds into political activity. Although the Senate failed to act on a reauthorization bill, many of these reforms were adopted as restrictions on LSC's annual appropriation.

B. Significant Developments of 1985

1. Increased Funds for Legal Services

Outside sources of funds for legal services programs have risen dramatically from $47.8 million in fiscal year 1982 to $106 million in fiscal year 1985. Total funding for LSC and its programs reached a record level in fiscal year 1985 of $411 million.

This growth in outside funding is expected to continue in fiscal years 1986 and 1987 with the continued expansion of the Interest on Lawyers Trust Account (IOLTA) programs in states across the country. IOLTA programs in 15 states distributed approximately $22.5 million in fiscal year 1985 for legal services to the poor. That figure is expected to reach $40 million in fiscal year 1986 and higher in 1987 as 23 additional state programs begin distributions.

IOLTA funds are generated from interest earned on trust funds that are handled by private attorneys for their clients. It only involves amounts that are too small or held for too short a period of time to draw interest in excess of service charges if held in separate accounts. Typically, such funds are pooled in lawyers' unsegregated trust fund accounts, on which interest is accumulated and forwarded to the state bar association.

The Legal Services Corporation has played an important role in IOLTA's growth, providing nearly $750,000 to the National IOLTA Clearinghouse and 21 local jurisdictions to assist in the creation and implementation of IOLTA programs. These grants enabled the National IOLTA Clearinghouse to provide states with information, materials, training and technical assistance on IOLTA program design and operation. Developmental and implementation grants were also given to 21 local jurisdictions.

The IOLTA program has grown very rapidly. At the beginning of FY 1983 only one IOLTA program was operational and it had distributed just over $500,000 in grants. By the end of FY 1984, fifteen states had approved IOLTA programs and eight of them distributed a total of $4.8 million. Those figures jumped in FY 1985 to thirty-eight programs approved, with fifteen states distributing $22.5 million. With IOLTA programs in twenty-three additional states beginning operations shortly, IOLTA has become a broad-based source of significant funding for legal services to the poor.

2. Law School Clinics

Since March of 1984, the Legal Services Corporation has been involved in a series of independent research projects concerning law school clinical education. LSC currently funds 34 law school clinics at 33 separate schools located in 22 states and the District of Columbia. Fourteen of these clinics were funded as part of an 18-month research effort -- the Law School Civil Clinical Research Project. That project was scheduled to conclude in February and March of 1986. Pursuant to LSC Board direction, however, negotiations are underway to extend funding through the current academic school year, ending in the summer of 1986. Twenty of these LSC-funded clinics were funded pursuant to a Congressionally-mandated $2 million Elderlaw project concentrating on delivery of services to the elderly. Funding for these two-year clinics is currently scheduled to end in July, 1987.

In September, 1985, the LSC Board decided to use law school clinics more effectively in broad-based service of poor clients by annualizing a line item in the LSC budget for law schools. That policy direction was taken in order to meet several goals of the Corporation, including: 1) delivery of effective and efficient legal services to low-income individuals; 2) effective training of future legal services attorneys and members of the private bar in legal areas most commonly affecting low-income clients; 3) recruitment of trained young attorneys into legal services programs; and 4) encouragement of pro bono or reduced fee services by future members of the private bar.

Similarly, over 30 Governors have expressed their personal support for the use of LSC funds to supplement delivery of legal services in their states, using law school clinics. Nationwide acceptance is exemplified by the fact that 76 law schools or over one-third of all accredited law schools applied to participate in the original law school research project, and also in the Elderlaw clinic competition.

Similiar support was reflected in two Congressional budget mandates during the last year. First, in the LSC budget for FY 1985, Congress specifically allocated $2 million for the elderly, a major portion of which was intended to utilize law school clinics. Also, in the Supplemental Appropriations Bill, Public Law 99-88, Congress allocated funds for two specific clinical projects, using LSC as a conduit. Consequently, in its most recent funding decisions Congress has indicated support for the law school clinic concept itself.

Due to the successful working relationship LSC has already established within the law school community, in both the research project and the Elderlaw project, interest by the law schools in working with the Corporation has increased. The Board intends that the solicitation process be annualized, as competition and the absence of automatic refunding will work to enhance the efficient and effective use of these dollars.

3. Voucher Projects

In 1985, LSC established a joint project with the American Bar Association to study the use of vouchers to provide legal services to the poor. A coordinated test of the voucher model was initially discussed between the Legal Services Corporation and the American Bar Association in September of 1983. These discussions led to a proposal by Professor Steve Cox, consultant to the ABA's Special Committee on the Delivery of Legal Services, to study the cost and quality effectiveness jointly of the voucher model, the staff attorney model and the contract model of LSC's Private Law Firm Project. The purpose of the research project is to evaluate vouchers as a mechanism for delivery of legal services to poor individuals. Included in this consideration are: 1) workability of the delivery model; 2) quality of services rendered; 3) cost-effectiveness of the delivery model; 4) determination of what project sites are best suited for the model (focusing on variables such as participation by the local bar association, interest by private attorneys, and client satisfaction with service rendered); 5) determination of what case types are best handled by the model; 6) comparison with existing methods of legal services delivery and with other models being examined by LSC; and 7) other potential benefits or difficulties resulting from administration of the project.

The initial test as discussed between LSC and the ABA is a joint project in San Antonio, Texas, in conjunction with the Bexar County Legal Aid Society and the San Antonio Bar Association. Using a common client intake center, clients with a legal problem subject to similar legal resolution will be alternatively referred to voucher model attorneys, staff model attorneys, and PLFP contract attorneys. Client service under these models will then be evaluated as described above.

Project costs, including the cost of vouchers and private law firm contracts in San Antonio, are $161,600. In FY 1985 LSC extended the project to one additional site in Orange County, California, in accordance with the research design developed with the ABA.

The voucher model is worthy of study for several reasons: 1) the Voucher Project may be feasible even in low population areas; 2) it is designed to minimize paperwork and provide prompt payment for services rendered; 3) it allows each client to select the attorney of choice from a list of participating attorneys; and 4) it will allow a very broad base of attorneys in each project site. As in other private sector methods of legal services delivery, LSC believes that exposure to the legal needs of poor individuals will induce participating attorneys to provide services through other reduced fee or pro bono projects. The broad base feature of the Voucher Project will expose a larger number of attorneys to these needs.

4. Board Encouragement of Direct Service to Clients

Direct service to clients has always been the foundation of Congressional and public support for this program. Even in a time of record funding levels for legal services, it is imperative that the Corporation maximize the funds going to direct representation of the poor.

In 1985, based upon its extensive study of the budget, the Board of Directors attempted to shift $11.3 million from Corporation management, national support, training and technical assistance, supplemental service and specialized migrant components into basic field programs to increase services to clients. This would have increased basic field funding by 4.6 percent and could have provided representation to approximately 55,000 more indigent clients.

Beyond increased services to clients, these shifts would have increased local control of service provision and led to greater efficiency and efficacy in the allocation of resources. For example, the Corporation currently buys national support services from seventeen centers on behalf of our 301 local field programs. However, the funding levels of each of these centers is not based on its level of use by field programs. (In the past, the Corporation did not even collect such data.) Rather, funding levels are based on a patchwork of funding decisions which were made over a period of twenty years. The Board proposed to shift ten percent of these funds directly to basic field programs to enable each local board to decide what levels and kinds of support services were most necessary for its local program.

Similarly, the Corporation funds forty-two programs which provide specialized services to migrant farmworkers. Forty of these programs also receive funding to provide general legal assistance to non-migrant clients. Funds earmarked for migrant services may not be used for any other purpose, even if local priorities and needs change. Funding levels for these programs is based upon an estimate of the migrant farmworker population conducted for the Corporation in 1977.

The Board proposed shifting 21.6 percent of the mandatory migrant funding into the basic field category because recent studies from the Department of Agriculture and the Department of Health and Human Services indicate that the migrant population is declining and is significantly smaller than estimated in the Corporation's study. This shift would enable local boards to reallocate those funds to meet their changing local needs for service. If a local program had experienced an influx of elderly medicare patients or high unemployment and their local migrant population had declined due to mechanization or changes in crops harvested, they could reallocate them to a higher priority. Those boards which determined that migrant service at the 1985 levels was still a priority could choose to do so.

Both of these proposals would have increased client service by enabling local boards to make decisions about allocation of resources based upon their local needs, not according to a blanket decision from Washington.

BUDGET FOR FISCAL YEAR 1987

A. Appropriation Language P.L. 99-180

LEGAL SERVICES CORPORATION

FISCAL YEAR 1987

Congressional Appropriation for 1986	$305,500,000
1987 Budget Estimate	$305,500,000

H.R. 2965

LEGAL SERVICES CORPORATION

PAYMENT TO THE LEGAL SERVICES CORPORATION

For payment to the Legal Services Corporation to carry out the purposes of the Legal Services Corporation Act of 1974, as amended, $305,500,000: Provided, That none of the funds appropriated in this Act for the Legal Services Corporation shall be used to bring a class action suit against the Federal Government or any State or local government unless--

(1) the project director of a recipient has expressly approved the filing of such an act in accordance with policies established by the governing body of such recipient;

(2) the class relief which is the subject of such an action is sought for the primary benefit of individuals who are eligible for legal assistance; and

(3) that prior to filing such an action, the recipient project director has determined that the government entity is not likely to change the policy or practice in question, that the policy or practice will continue to adversely affect eligible clients, that the recipient has

given notice of its intention to seek class relief and that responsible efforts to resolve without litigation the adverse effects of the policy or practice have not been successful or would be adverse to the interest of the clients:

except that this provision may be superseded by regulations governing the bringing of class action suits promulgated by a majority of the Board of Directors of the Corporation who have been confirmed in accordance with section 1004(a) of the Legal Services Corporation Act: Provided further, That none of the funds appropriated in this Act made available by the Legal Services Corporation may be used--

(1) to pay for any publicity or propaganda intended or designed to support or defeat legislation pending before Congress or State or local legislative bodies or intended or designed to influence any decision by a Federal, State, or local agency;

(2) to pay for any personal service, advertisement, telegram, telephone communication, letter, printed or written matter, or other device, intended or designed to influence any decision by a Federal, State, or local agency, except when legal assistance is provided by an employee of a recipient to an eligible client on a particular application, claim, or case, which directly involves the client's legal rights or responsibilities;

(3) to pay for any personal service, advertisement, telegram, telephone communication, letter, printed or written matter, or any other device intended or designed to influence any Member of Congress or any other Federal, State, or local elected official --

(A) to favor or oppose any referendum, initiative, constitutional amendment, or any similar procedure of the Congress, any State legislature, any local council or any similar governing body acting in a legislative capacity,

(B) to favor or oppose an authorization or appropriation directly affecting the authority, function, or funding of the recipient or the Corporation or

(C) to influence the conduct of oversight proceedings of the recipient or the Corporation;

(4) to pay for any personal service, advertisement, telegram, telephone communication, letter, printed or written matter, or any other device intended or designed to influence any Member of Congress or any other Federal, State, or local elected official to favor or oppose any Act, bill resolution, or similar legislation, except that this proviso shall not preclude funds from being used to provide communication directly to a Federal, State, or elected local official on a specific and distinct matter where the purpose of such communication is to bring the matter to the official's attention if--

(A) the project director of a recipient has expressly approved in writing the undertaking of such communication to be made on behalf of a client or class of clients in accordance with policy established by the governing body of the recipient; and

(B) the project director of a recipient has determined prior to the undertaking of such communication that--

(i) the client and each such client is in need of relief which can be provided by the legislative body involved;

(ii) appropriate judicial and administrative relief have been exhausted; and

(iii) documentation has been secured from each eligible client that includes a statement of the specific legal interests of the client, except that such communication may not be the result of participation in a coordinated effort to provide such communications under this proviso; and

(C) the project director of a recipient maintains documentation of the expense and time spent under this proviso as part of the records of the recipient; or

(D) the project director of a recipient has approved the submission of a communication to a legislator requesting introduction of a private relief bill: except that nothing in this proviso shall prohibit communications made in response to a request from a Federal, State, or local official: Provided further, That none of the funds appropriated in this Act made available by the Legal

Services Corporation may be used to pay for any administrative or related costs associated with an activity prohibited in clause (1), (2), (3), or (4) of the previous proviso: Provided further, That none of the funds appropriated under this Act for the Legal Services Corporation will be expended to provide legal assistance for or on behalf of any alien unless the alien is present in the United States and is--

(1) an alien lawfully admitted for permanent residence as defined in section 101(a)(20) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(20));

(2) an alien who is either married to a United States citizen or is a parent or an unmarried child under the age of twenty-one years of such a citizen and who has filed an application for adjustment of status to permanent resident under the Immigration and Nationality Act, and such application has not been rejected;

(3) an alien who is lawfully present in the United States pursuant to an admission under section 207 of the Immigration and Nationality Act (8 U.S.C. 1157, relating to refugee admissions) or who has been granted asylum by the Attorney General under such Act; or

(4) an alien who is lawfully present in the United States as a result of the Attorney General's withholding of deportation pursuant to section 243(h) of the Immigration and Nationality Act (8 U.S.C. 1253(h)):

Provided further, That an alien who is lawfully present in the United States as a result of being granted conditional entry pursuant to section 203(a)(7) of the Immigration and Nationality Act (8 U.S.C. 1153(a)(7)) before April 1, 1980, because of persecution or fear of persecution on account of race, religion or political opinion or because of being uprooted by catastrophic natural calamity shall be deemed, for purposes of the previous proviso, to be an alien described in clause (3) of the previous proviso: Provided further, That none of the funds appropriated for the Legal Services Corporation may be used to support or conduct training programs for the purpose of advocating particular public policies or encouraging political activities, labor or antilabor activities, boycotts, picketing, strikes, and demonstrations, including the dissemination of information about such policies or activities [, except that this provision shall not be construed to prohibit the training of attorneys or paralegal personnel necessary to prepare them to provide adequate legal assistance to eligible clients or to advise any eligible client as to the nature of the legislative process or inform any eligible client of his rights under statute, order, or regulation]: Provided further, That none of the funds appropriated in this Act for the Legal Services Corporation may be used to carry out the procedures established pursuant to section 1011(2) of the Legal Services Corporation Act unless the Corporation prescribes procedures to insure that financial assistance under this title shall not be terminated, and a suspension of financial assistance shall not be continued for more than thirty days, unless the grantee, contractor, or person or entity receiving financial assistance under this title has been afforded reasonable notice and opportunity for a timely, full, and fair hearing and, when requested, such hearing shall be conducted by an independent hearing examiner, subject to the following conditions--

(1) such request for a hearing shall be made to the Corporation within thirty days after receipt of notice to terminate financial assistance, deny an application for refunding, or suspend financial assistance and such hearing shall be conducted within thirty days of receipt of such request for a hearing;

(2) the Corporation shall make such final decision within thirty days after completion of such hearing; and

(3) hearing examiners shall be appointed by the Corporation in accordance with procedures established in regulations promulgated by the Corporation:

Provided further, That none of the funds appropriated in this Act for the Legal Services Corporation maybe be used to carry out the procedures established pursuant to section 1011(2) of the Legal Services Corporation Act unless the Corporation prescribes procedures to ensure that an application for refunding shall not be denied unless the grantee, contractor, or person or entity receiving assistance under this title has been afforded reasonable notice and opportunity for timely, full and fair hearing to show cause why such action should not be taken and subject to all other conditions of the previous proviso: Provided further, That none of the funds appropriated in this Act for the Legal Services Corporation shall be used by the Corporation in making grants or entering into contracts for legal assistance unless the Corporation insures that the recipient is either (1) a private attorney or attorneys (for the sole purpose of furnishing legal assistance to eligible clients) or (2) a qualified nonprofit organization chartered under the laws of one of the states, a purpose of which is furnishing legal assistance to eligible clients, the majority of the board of directors or other governing body of which organization is comprised of attorneys who are admitted to practice in one of the states and who are appointed to terms of office on such board or body by the governing bodies of State, county, or municipal bar associations the membership of which represents a majority of the attorneys practicing law in the locality in which the organization is to provide legal assistance [:Provided further, That none of the funds appropriated in this Act for the Corporation shall be used, directly or indirectly, by the Corporation to promulgate new regulations or to enforce, implement, or operate in accordance with regulations effective after April 27, 1984 unless the Appropriations Committees of both Houses of Congress have been notified fifteen days prior to such use of funds as provided for in section 606 of this Act].

Explanation of Language Changes

The provision subjecting the promulgation of regulations to the reprogramming procedure should not be extended. Each of the six regulations promulgated by LSC since April, 1984, which the Congress requested be reprogrammed has been carefully reviewed by the LSC Board of Directors. Extensive hearings were held and comments from all interested parties were received throughout 1985. As a result, numerous revisions were made to five of the regulations which have been noticed without objection to the Appropriations Committees. The sixth regulation will be completed shortly and noticed to the Appropriations Committees.

The exception to the prohibition on politically or policy-oriented training is too broad and should be deleted. The General Accounting Office has cited LSC and its grantees for violation of the training restrictions of the LSC Act in three separate reports.

PROGRAM AND FINANCING

The Legal Services Corporation Act of 1974, as amended, establishes the Corporation as a private, nonmembership, nonprofit corporation in the District of Columbia (Section 1003(a)). The Act specifies that the Corporation shall not be considered a department, agency or instrumentality of the federal government, and that, except for certain employee benefits, officers and employees of the Corporation shall not be considered officers and employees of the federal government (Section 1005(e)(1)).

The Corporation records and reports all funds in conformity with generally accepted accounting principles applicable to nonprofit organizations. Financial statements of the Corporation are audited by an independent firm of certified public accountants. The annual financial report to the Corporation's Board of Directors, as certified by that firm, is included in the Corporation's Annual Report which is submitted to Congress.

During Fiscal Year 1977, federal payment funds not currently required to liquidate Corporation commitments were invested subject to strict limitations established by the Board of Directors. Those limitations provided that 90 percent of the available funds be invested in obligations issued or fully insured or guaranteed by the United States or any United States Government agency. The balance could be invested in commercial paper carrying the highest available rating by a reputable rating firm. In practice, the Corporation invested 100 percent of available funds in securities fully guaranteed by the United States Government.

For Fiscal Year 1978, the Corporation, at the request of the Senate Appropriations Committee, negotiated an agreement with the Treasury Department which enabled the Corporation to withdraw funds from the Treasury and transfer them to commercial bank accounts whenever needed to pay expenses. In addition, that agreement contained provisions that respect the Corporation's private organization status under the Act. The agreement was renewed for Fiscal Year 1981 and subsequent years.

In the fall of 1977, the Board of Directors allocated $1.09 million of the income from the investment of the 1977 funds for a two and one-half year educational loan repayment program in an effort to improve staff retention in legal services programs and allocated $4.0 million for a two and one-half year program to devise innovative approaches to improving the quality of legal services. In 1979, the Board authorized an allocation of $100,000 of investment income for a two-year joint project with the American Bar Association to encourage the development of pro bono service by private attorneys for persons unable to afford legal services. In

1980, the Board authorized an allocation of $300,000 for matching grants to initiate such pro bono programs, and in 1981, it authorized $1.0 million for national and state support activities. In 1982, the Board authorized an allocation of $258,000 in investment income to complete the experimental project and to supplement activities of the management and administrative budget. Fiscal Year 1982 payments for these activities totaled $248,000. In 1983, the Board authorized an allocation of $65,000 in investment income to pay certain expenses incurred by the Corporation that were restricted by the Continuing Resolution. There have been no allocations since that time. Approximately $570,000 will be available for the Corporation's use in Fiscal year 1987 if no further allocations are made.

LEGAL SERVICES CORPORATION
PROGRAM AND FINANCING FOR FEDERAL APPROPRIATIONS
FISCAL YEARS 1985, 1986, 1987

(dollars in thousands)

		1985 Actual	1986 Estimate	1987 Estimate
	Program by Activities:			
	1. Delivery of Legal Assistance	269,193	280,364	277,000
	2. Support for the Delivery of Legal Assistance	20,796	26,422	15,000
	3. Management and Administration	10,957	13,310	13,500
	Total program costs, funded	300,946	320,096	305,500
	Change in Selected Resources	17,596	3,000	3,000
	Other non-Federal sources	(157)	---	---
	Appropriated funds from prior years	(5,385)	(17,596)	(3,000)
10.00	Total obligations (object class 41)	313,000	305,500	305,500
	Financing:			
40.00	Budget Authority (appropriation)	313,000	305,500	305,500
	Relation of obligations to outlays:			
71.00	Obligations incurred, net	313,000	305,500	305,500
72.40	Obligated balance, start of year	33,468	46,236	39,000
74.40	Obligated balance, end of year	(46,236)	(39,000)	(39,715)
90.00	Outlays	300,232	312,736	304,785

NOTE: FY 1986 Program by Activities does not reflect the estimated Gramm-Rudman-Hollings reduction of 13,137. Activity distribution is based on original staff recommendation. The Corporation's Board of Directors has not yet acted on the FY 1986 Budget.

LEGAL SERVICES CORPORATION
SUMMARY STATEMENT OF SUPPORT, REVENUE AND EXPENSE AND OTHER CHANGES IN FUND BALANCES -- FISCAL YEARS 1985, 1986, 1987

(dollars in thousands)

	1985 Actual	1986 Estimate	1987 Estimate
Fund Balances at Beginning of Fiscal Year			
Federal appropriation	5,385	17,596	3,000
Interest income available	468	505	570
Total fund balances	5,853	18,101	3,570
Support and Revenue during the Period			
Federal appropriation	313,000	305,500	305,500
Less Gramm-Rudman-Hollings reduction	---	---	---
Donated services	157	---	---
Interest / Income earned	59	65	70
Other sources	---	---	---
Total support and revenue	313,216	305,565	305,570
Total funds available	319,069	323,666	309,140
Expenses during the Period			
Program activities:			
Grants and contracts	289,460	306,786	292,000
Program services	4,480	5,203	5,279
Total program activities	293,940	311,989	297,279
Supporting activities			
Management and administration	6,523	7,857	7,971
Property and equipment	505	250	250
Total expenses	300,968	320,096	305,500
Fund Balances at Close of Fiscal Year	18,101	3,570	3,640

NOTE: The FY 1986 column does not reflect the estimated Gramm-Rudman-Hollings reduction of 13,137. Expenses for the period are based on initial staff recommendations. The Corporation's Board of Directors has not yet acted on the FY 1986 Budget.

LEGAL SERVICES CORPORATION
APPROPRIATION REQUEST IN RELATION TO TOTAL FUNDS AVAILABLE
(dollars in thousands)

	POSN'S	AMOUNT
1. Total Funds Available in Fiscal Year 1986		
Appropriated funds carried forward from 1985		17,596
Appropriation, 1986		305,500
Less Gramm-Rudman-Hollings reduction		(13,137)
Total available in fiscal year 1986		309,959
2. Request for Fiscal Year 1987 -- Summary of Changes		
Appropriation, 1986	225	305,500
Less Gramm-Rudman-Hollings reduction	---	(13,137)
FY 1987 Base	225	292,363
Adjustments to Base:		
Program increases /1/	---	13,137
Total appropriation requested for 1987	225	305,500
3. Total Funds Available in Fiscal Year 1987		
Requested Appropriation		305,500
Appropriated funds carried forward from previous fiscal year (1986, estimate)		3,000
Total available in fiscal year 1987	225	308,500

/1/ Explanation of adjustments to Base

The estimated Gramm-Rudman-Hollings reduction is 13,137. An increase of 13,137 is requested to restore the funding level for FY 1987 to the pre-reduction level of FY 1986.

LEGAL SERVICES CORPORATION
BUDGET IN BRIEF -- FISCAL YEAR 1987

(dollars in thousands)

	1985 Actual		1986 Estimate /1/		1987 Estimate		Change from 1986 to 1987	
	Amount	Perm Posn's	Amount	Perm Posn's	Amount	Perm Posn's	Amount	Perm Posn's
A. DELIVERY OF LEGAL ASSISTANCE	275,504		282,474		280,000		(2,474)	
Appropriation	272,671		277,052		277,000		(52)	
Funds Carried Forward from previous year	2,833		5,422		3,000		(2,422)	
1. FIELD PROGRAMS	265,390		274,296		275,000		704	
Appropriation	264,043		274,160		272,000		(2,160)	
Funds Carried Forward from previous year	1,347		136		3,000		2,864	
2. PROGRAM DEVELOPMENT	3,255		2,756		2,000		(756)	
Appropriation	1,829		1,434		2,000		566	
Funds Carried Forward from previous year	1,426		1,322		0		(1,322)	
3. SUPPLEMENTAL SERVICE PROVISION	6,859		5,422		3,000		(2,422)	
Appropriation	6,799		1,458		3,000		1,542	
Funds Carried Forward from previous year	60		3,964		0		(3,964)	
B. SUPPORT FOR THE DELIVERY OF LEGAL ASSISTANCE	29,912		27,312		15,000		(12,312)	
Appropriation	29,046		17,306		15,000		(2,306)	
Funds Carried Forward from previous year	866		10,006		0		(10,006)	
1. TRAINING & TECHNICAL ASSISTANCE	1,593		2,380		1,000		(1,380)	
Appropriation	1,137		1,030		1,000		(30)	
Funds Carried Forward from previous year	456		1,350		0		(1,350)	
2. OTHER SUPPORT	28,319		24,932		14,000		(10,932)	
Appropriation	27,909		16,276		14,000		(2,276)	
Funds Carried Forward from previous year	410		8,656		0		(8,656)	

	1985 Actual		1986 Estimate		1987 Estimate		Change from 1986 to 1987	
	Amount	Perm Posn's	Amount	Perm Posn's	Amount	Perm Posn's	Amount	Perm Posn's
C. CORPORATION MANAGEMENT & GRANT								
ADMINISTRATION	13,126	198	13,310	225	13,500	225	190	0
Appropriation	11,283	198	11,142	225	13,500	225	2,358	0
Funds Carried Forward from previous year	1,686		2,168		0		(2,168)	
Donated Services	157		0		0		0	
TOTAL -- REQUIREMENTS	318,542	198	323,096	225	308,500	225	(14,596)	0
Appropriation	313,000	198	305,500	225	305,500	225	0	0
Funds Carried Forward from previous year	5,385		17,596		3,000		(14,596)	
Donated Services	157		0		0		0	

/1/ FY 1986 column is based on initial staff recommendation for allocation of appropriation, and actual allocation of carryover funds.
No adjustment has yet been made for the Gramm-Rudman-Hollings reduction (est. 13,137) at the individual activity levels.

LEGAL SERVICES CORPORATION
ACTIVITIES IN BRIEF
(dollars in thousands)

	1986 Estimate		1987 Base		1987 Estimate		Inc. (+) or Dec. (-) 1987 Est. to 1987 Base	
	Amount	Perm Posn's	Amount	Perm Posn's	Amount	Perm Posn's	Amount	Perm Posn's
A. DELIVERY OF LEGAL ASSISTANCE								
Total	282,474		282,474		280,000		(2,474)	
Appropriation	277,052		277,052		277,000		(52)	
Funds Carried Forward from Previous Year	5,422		5,422		3,000		(2,422)	

NOTE: FY 1986 and FY 1987 Base have not been adjusted for Gramm-Rudman-Hollings reduction.

(dollars in thousands)

	1986 Estimate		1987 Base		1987 Estimate		Inc. (+) or Dec. (-) 1987 Est. to 1987 Base	
	Amount	Perm Posn's	Amount	Perm Posn's	Amount	Perm Posn's	Amount	Perm Posn's
1. FIELD PROGRAMS								
Total	274,296		274,296		275,000		704	
Appropriation	274,160		274,160		272,000		(2,160)	
Funds Carried Forward from Previous Year	136		136		3,000		2,864	

NOTE: FY 1986 and FY 1987 Base have not been adjusted for Gramm-Rudman-Hollings reduction.

Most of the funds appropriated by Congress are distributed by grant or contract to 301 local recipients that provide direct civil legal services in every part of the United States and in Puerto Rico, the Virgin Islands, Guam and Micronesia. Of these recipients, 288 are involved in the delivery of general legal services to financially eligible clients within their service area. Eleven recipients specialize in services to Native Americans. Two specialize in services to migrant farmworkers. The 288 general delivery recipients have forty migrant components and twenty-one Native American components. Each recipient is an independent, private organization governed by a locally-selected board of directors, at least sixty percent of whom are attorneys and thirty-three percent eligible clients. Each recipient establishes priorities according to the needs of its eligible client population, and is given flexibility in determining the specific means of delivering services in the area served.

All of these recipients operate with some full-time salaried staff. A number also secure the services of private attorneys in the provision of legal assistance on a voluntary or partially compensated basis. In 1986, as in 1985, all basic field recipients will be required by the Corporation to allocate a substantial amount of program resources (a minimum of 12.5%) to efforts designed to stimulate the involvement of private attorneys in the delivery of legal services to eligible clients. The exact nature of this involvement is determined locally, but must be approved by LSC. Among the various approaches in the delivery of legal services by private attorneys are pro bono efforts, reduced fee judicare systems, contracts with private attorneys, organized referral mechanisms, and cooperative support arrangements.

(dollars in thousands)

	1986 Estimate		1987 Base		1987 Estimate		Inc. (+) or Dec. (-) 1987 Est. to 1987 Base	
	Amount	Perm Posn's	Amount	Perm Posn's	Amount	Perm Posn's	Amount	Perm Posn's
2. PROGRAM DEVELOPMENT								
Total	2,756		2,756		2,000		(756)	
Appropriation	1,434		1,434		2,000		566	
Funds Carried Forward from Previous Year	1,322		1,322		---		(1,322)	

NOTE: FY 1986 and FY 1987 Base have not been adjusted for Gramm-Rudman-Hollings reduction.

Program Development reflects the Corporation's commitment to maintain its forward momentum in leveraging private resources to assist in the expanded delivery of legal services to the poor. The funds in this category will be available to support research, pilot projects stimulating private attorney involvement, the development of new funding sources for legal services delivery, and training programs for the private practitioners participating in indigent representation.

(dollars in thousands)

	1986 Estimate		1987 Base		1987 Estimate		Inc. (+) or Dec. (-) 1987 Est. to 1987 Base	
	Amount	Perm Posn's	Amount	Perm Posn's	Amount	Perm Posn's	Amount	Perm Posn's
3. SUPPLEMENTAL SERVICE PROVISION								
Total	5,422		5,422		3,000		(2,422)	
Appropriation	1,458		1,458		3,000		1,542	
Funds Carried Forward from Previous Year	3,964		3,964		---		(3,964)	

NOTE: FY 1986 and FY 1987 Base have not been adjusted for Gramm-Rudman-Hollings reduction.

In addition to direct grants to recipients for the provision of legal services, the Legal Services Corporation Act also authorizes the Corporation to make grants and contracts necessary to carry out the provisions of the Act.

LSC's law school initiatives currently address four major independent goals of the Corporation: (1) direct service delivery; (2) encouragement of future pro bono or reduced fee services by students once they become practicing attorneys; (3) effective training of future legal services attorneys and members of the private bar in areas of the law which most often concern LSC eligible clients; and, (4) recruitment of young attorneys into the ranks of the legal services staff.

LEGAL SERVICES CORPORATION
BUDGET SUMMARY -- FISCAL YEARS 1985, 1986 AND 1987

(dollars in thousands)

	1985 ACTUAL	1986 ESTIMATE	1987 ESTIMATE	CHANGE 86 TO 87	REFER TO
DELIVERY OF LEGAL ASSISTANCE	275,504	283,364	280,000	(3,364)	
Appropriation	272,671	277,052	277,000	(52)	
Funds Carried Forward from Previous Year	2,833	6,312	3,000	(3,312)	
SUPPORT FOR THE DELIVERY OF LEGAL ASSISTANCE	29,912	26,422	15,000	(11,422)	
Appropriation	29,046	17,306	15,000	(2,306)	
Funds Carried Forward from Previous Year	866	9,116	0	(9,116)	
CORPORATION MANAGEMENT AND GRANT ADMINISTRATION	13,126	13,310	13,500	190	
Appropriation	11,283	11,142	13,500	2,358	
Funds Carried Forward from Previous Year	1,686	2,168	0	(2,168)	
Donated Services	157	0	0	0	
TOTAL -- REQUIREMENTS	318,542	323,096	308,500	(14,596)	
Appropriation	313,000	305,500	305,500	0	
Funds Carried Forward from Previous Year	5,385	17,596	3,000	(14,596)	
Donated Services	157	0	0	0	

NOTE: The FY 1986 column reflects the original staff recommendation for allocation of the appropriation; carryover allocated to the activities from which it was generated; and no adjustment for the Gramm-Rudman-Hollings reduction, estimated at 13,137.

(dollars in thousands)

	1986 Estimate		1987 Base		1987 Estimate		Inc. (+) or Dec. (-) 1987 Est. to 1987 Base	
	Amount	Perm Posn's	Amount	Perm Posn's	Amount	Perm Posn's	Amount	Perm Posn's
B. SUPPORT FOR THE DELIVERY OF LEGAL ASSISTANCE								
Total	27,312		27,312		15,000		(12,312)	
Appropriation	17,306		17,306		15,000		(2,306)	
Funds Carried Forward from Previous Year	10,006		10,006		---		(10,006)	

NOTE: FY 1986 and FY 1987 Base have not been adjusted for Gramm-Rudman-Hollings reduction.

(dollars in thousands)

	1986 Estimate		1987 Base		1987 Estimate		Inc. (+) or Dec. (-) 1987 Est. to 1987 Base	
	Amount	Perm Posn's	Amount	Perm Posn's	Amount	Perm Posn's	Amount	Perm Posn's
1. TRAINING & TECHNICAL ASSISTANCE								
Total	2,380		2,380		1,000		(1,380)	
Appropriation	1,030		1,030		1,000		(30)	
Funds Carried Forward from Previous Year	1,350		1,350		---		(1,350)	

NOTE: FY 1986 and FY 1987 Base have not been adjusted for Gramm-Rudman-Hollings reduction.

In 1986, the Corporation is moving forward to implement the newly revised Case Service Reporting (CSR) system for use by its recipient programs. LSC is providing necessary computer hardware, software, and training to establish a minimum standard of automated reporting. Bulk purchases will serve to both reduce costs and establish compatible equipment. CSR codes and definitions were improved in 1985 with the assistance of a CSR Advisory Panel with representatives of field programs and regional offices. Their work is being integrated into this new CSR system.

The new CSR system will provide automatically produced reports on both case and non-case activities. Such a tool will serve as a reporting device for the Corporation. It will also be a management tool for more detailed analysis by local program managers and boards.

The continued application of technology to legal services management and practice in 1986 will contribute substantially to recipient productivity. Increasing the technological and data-base capacity of individual recipients is particularly important in a period when they are striving for increased service. Such capacity will enhance the Corporation's ability to provide support to, and monitor the activities of, our recipients.

(dollars in thousands)

	1986 Estimate		1987 Base		1987 Estimate		Inc. (+) or Dec. (-) 1987 Est. to 1987 Base	
	Amount	Perm Posn's	Amount	Perm Posn's	Amount	Perm Posn's	Amount	Perm Posn's
2. OTHER SUPPORT								
Total	24,932		24,932		14,000		(10,932)	
Appropriation	16,276		16,276		14,000		(2,276)	
Funds Carried Forward from Previous Year	8,656		8,656		---		(8,656)	

NOTE: FY 1986 and FY 1987 Base have not been adjusted for Gramm-Rudman-Hollings reduction.

Currently, the Corporation separately funds seventeen national support units. Those units typically specialize in particular areas of law (*e.g.,* health) or the legal needs of special groups (*e.g.,* senior citizens). The assistance and support to legal services recipients generally fall into one or more of the following broad categories: lobbying; legislative monitoring; consultation with legal services attorneys; representation of eligible clients either directly or in a co-counsel capacity; information dissemination and networking or training.

Sixty-one (61) other recipients receive funds from the Corporation for state support activities, and six recipients are funded exclusively for state support purposes. Common activities of state support include lobbying, advice, research, litigation assistance, training, liaison with the organized bar and fund-raising endeavors.

(dollars in thousands)

	1986 Estimate		1987 Base		1987 Estimate		Inc. (+) or Dec. (-) 1987 Est. to 1987 Base	
	Amount	Perm Posn's	Amount	Perm Posn's	Amount	Perm Posn's	Amount	Perm Posn's
C. CORPORATION MANAGEMENT AND GRANT ADMINISTRATION								
Total	13,310	225	13,310	225	13,500	225	190	0
Appropriation	11,142	225	11,142	225	13,500	225	2,358	0
Funds Carried Forward from Previous Year	2,168		2,168		---		(2,168)	

NOTE: FY 1986 and FY 1987 Base have not been adjusted for Gramm-Rudman-Hollings reduction.

Central management and fiscal administration activities constitute approximately 2 percent of the Corporation's budget. The management and administration functions are performed by the Office of Management Services, the Comptroller's Office, the Executive Office and Board of Directors, the Office of Field Services, the Office of General Counsel, the Office of Monitoring, Audit and Compliance, and the Office of Policy Development and Communications.

The Office of Management Services is responsible for procurement and administrative services, printing and reprographics, word processing, and headquarters office management. The Office also collects and analyzes information from field programs and manages the case service reporting system which provides basic statistical information on cases handled by programs. In conjunction with the Office of Field Services, the Office develops and implements policies to ensure that field programs comply with federal laws and with Corporation regulations concerning nondiscrimination. The office also oversees personnel.

The Comptroller's Office is responsible for ensuring the efficiency and integrity of the Corporation's own financial management system. That Office will continue to assist internal financial planning, provide external financial reports, maintain budget management functions, maintain controls over procedures that generate financial transactions, and operate the major Corporation accounting system. The Corporation is audited annually by an independent accounting firm, and, pursuant to the Legal Services Corporation Act, the report of the audit is provided to the General Accounting Office.

The Executive Office of the Corporation includes the president and supporting staff, and it is responsible for general policy formation and management of all Corporation activities under the direction of an eleven person Board of Directors appointed by the President with the consent of the Senate. The Chairman of the Board is elected by the members who are to be generally, representative of the organized bar, legal services attorneys, eligible clients, and the general public. The Legal Services Corporation Act requires the Board to meet at least four times a year; the Board's three committees usually meet between Board sessions.

The Office of Field Services (OFS) is responsible for grant and contract management for all field programs, and for technical assistance to improve local program operations. The office also provides training coordination, oversight of national and state support activities, and is responsible for the development and testing of new models for the delivery of legal services.

The Office of General Counsel is the lawyer for the Corporation and its Board of Directors on all legal matters. This office also provides interpretations of the Legal Services Corporation Act and regulations for Corporation-funded programs, and assures that the Corporation complies with all relevant laws, such as the Freedom of Information Act and the Government in the Sunshine Act.

The Office of Monitoring, Audit, and Compliance (MAC) is responsible for the monitoring and evaluation of all field programs with respect to client services; compliance with the LSC Act, regulations and appropriations bills; and financial integrity. MAC is assisted in these responsibilities by the Corporation's four regional offices in Chicago, Atlanta, Denver and San Francisco.

The Office of Policy Development and Communications maintains liaison with Congressional oversight and appropriations committees responsible for Corporation activities, with the General Accounting Office, and with offices and agencies of state and local government, as well as the federal executive branch. Other duties include informing individuals and organizations interested in the delivery of legal services about Corporation activities. The Office prepares nationally distributed Corporation publications, such as LSC NOTES, which provide information of specific interest to field programs, the Corporation's annual report and other printed materials about the Corporation and legal services for the poor. In addition, the Office responds to inquiries from legal and general news media and from the public about Corporation activities and developments in legal service delivery.

LEGAL SERVICES CORPORATION
EXPENSES FROM ALL SOURCES BY ACTIVITY AND OBJECT CLASS
FISCAL YEARS 1986 AND 1987

(dollars in thousands)

	MANAGEMENT & ADMIN		PROGRAM ACTIVITIES		TOTALS		
OBJECT CLASS	1986	1987	1986	1987	1986	1987	CHANGE
Personnel Compensation	3,287	3,390	2,191	2,261	5,478	5,651	173
Employee Benefits	662	673	342	348	1,004	1,021	17
Other Personnel Services	231	231	211	211	442	442	0
Independent Consulting	1,534	1,534	984	984	2,518	2,518	0
Travel and Transportation	341	341	1,231	1,231	1,572	1,572	0
Communications	209	209	14	14	223	223	0
Occupancy Costs (Space)	855	855	164	164	1,019	1,019	0
Printing and Reproduction	107	107	---	---	107	107	0
Other Operating Expenses	631	631	66	66	697	697	0
Capital Expenditures	250	250	---	---	250	250	0
Subtotal	8,107	8,221	5,203	5,279	13,310	13,500	190
Grants and Contracts	---	---	306,786	292,000	306,786	292,000	(14,786)
Total Expenses	8,107	8,221	311,989	297,279	320,096	305,500	(14,596)

Sources of Funds	1985	1986
Appropriation	305,500	305,500
Funds Carried Forward from Previous Year	17,596	3,000
Investment Income Allocated	0	0
Total	323,096	308,500

NOTE: No adjustment has been made for the Gramm-Rudman-Hollings reduction, estimated at 13,137. Distributions are subject to Corporation change.

LEGAL SERVICES CORPORATION
STATEMENT OF SUPPORT, REVENUE AND EXPENSES AND OTHER CHANGES IN FUND BALANCES

FISCAL YEAR 1985

(dollars in thousands)

	General	Federal Appropriation	Total
Fund Balance at Beginning of Year			
Federal Appropriation	---	5,385	5,385
Interest Income Available	468	---	468
Total Fund Balances	468	5,385	5,853
Support and Revenue During the Period			
Federal Appropriation	---	313,000	313,000
Donated Services	---	157	157
Interest / Income Earned	37	22	59
Total Support and Revenue	37	313,179	313,216
Total Funds Available	505	318,564	319,069
Expenses During the Period			
Program Activities:			
Grants and Contracts	---	289,460	289,460
Program Services	---	4,480	4,480
Total Program Activities	---	293,940	293,940
Supporting Activities:			
Management and Administration	---	6,523	6,523
Property and Equipment	---	505	505
Total Expenses	---	300,968	300,968
Fund Balance at Close of Year	505	17,596	18,101

LEGAL SERVICES CORPORATION
STATEMENT OF SUPPORT, REVENUE AND EXPENSES AND OTHER CHANGES IN FUND BALANCES

FISCAL YEAR 1986

(dollars in thousands)

	General	Federal Appropriation	Total
Fund Balance at Beginning of Year			
Federal Appropriation	---	17,596	17,596
Interest Income Available	505	---	505
Total Fund Balances	505	17,596	18,101
Support and Revenue During the Period			
Federal Appropriation	---	305,500	305,500
Less Gramm-Rudman-Hollings reduction	---	---	
Donated Services	---	---	---
Interest / Income Earned	65	---	65
Total Support and Revenue	65	305,500	305,565
Total Funds Available	570	323,096	323,666
Expenses During the Period			
Program Activities:			
Grants and Contracts	---	306,786	306,786
Program Services	---	5,203	5,203
Total Program Activities	---	311,989	311,989
Supporting Activities:			
Management and Administration	---	7,857	7,857
Property and Equipment	---	250	250
Total Expenses	---	320,096	320,096
Fund Balance at Close of Year	570	3,000	3,570

NOTE: The FY 1986 column does not reflect the estimated Gramm-Rudman-Hollings reduction of 13,137. Expenses for the period are based on initial staff recommendations. The Corporation's Board of Directors has not yet acted on the FY 1986 Budget.

LEGAL SERVICES CORPORATION
STATEMENT OF SUPPORT, REVENUE AND EXPENSES AND OTHER CHANGES IN FUND BALANCE

FISCAL YEAR 1987

(dollars in thousands)

	General	Federal Appropriation	Total
Fund Balance at Beginning of Year			
Federal Appropriation	---	3,000	3,000
Interest Income Available	570	---	570
Total Fund Balances	570	3,000	3,570
Support and Revenue During the Period			
Federal Appropriation	---	305,500	305,500
Donated Services	---	---	---
Interest / Income Earned	70	---	70
Total Support and Revenue	70	305,500	305,570
Total Funds Available	640	308,500	309,140
Expenses During the Period			
Program Activities:			
Grants and Contracts	---	292,000	292,000
Program Services	---	5,279	5,279
Total Program Activities	---	297,279	297,279
Supporting Activities:			
Management and Administration	---	7,971	7,971
Property and Equipment	---	250	250
Total Expenses	---	305,500	305,500
Fund Balance at Close of Year	640	3,000	3,640

LEGAL SERVICES CORPORATION
STAFF POSITIONS - FISCAL YEARS 1985, 1986 AND 1987

	1985 Actual	1986 Estimate		1987 Estimate	
OFFICE	Number of Positions	Change From 1985	Number of Positions	Change From 1986	Number of Positions
Executive Office	18	-6	12	0	12
General Counsel	13	0	13	0	13
Comptroller	14	0	14	0	14
Policy Dev. & Communication	5	15	20	0	20
Management Services	40	-3	37	0	37
Monitoring, Audit, Compliance					
Headquarters	44	19	63	0	63
Southern Region	7	0	7	0	7
Midwest Region	7	0	7	0	7
Rocky Mtn. Region	6	1	7	0	7
Native American Unit	3	0	3	0	3
Pacific Region	6	0	6	0	6
Field Services	35	1	36	0	36
TOTAL	198	27	225	0	225

LEGAL SERVICES CORPORATION
STAFF SALARIES - FISCAL YEARS 1985, 1986 AND 1987

	1985 Actual	1986 Estimate		1987 Estimate	
SALARY RANGES	Number of Positions	Change From 1985	Number of Positions	Change From 1986	Number of Positions
LSC LEVEL I $9,817 - $15,162	2	-2	0	0	0
LSC LEVEL II $13,088 - $18,815	24	2	26	0	26
LSC LEVEL III $16,770 - $23,069	30	8	38	0	38
LSC LEVEL IV $20,588 - $28,224	22	7	29	0	29
LSC LEVEL V $25,768 - $35,696	37	5	42	0	42
LSC LEVEL VI $31,768 - $44,558	48	4	52	0	52
LSC LEVEL VII $38,994 - $55,218	18	10	28	0	28
Unclass. Posn's.	17	-7	10	0	10
TOTAL	198	27	225	0	225

BUDGET DISSENT
FOR
FISCAL YEAR 1987

Submitted to Congress

LEGAL
SERVICES
CORPORATION

JUSTICE

400 Virginia Ave., S.W., Washington, D.C. 20024-2751

Executive Summary

Dissent on 1987 LSC Budget Request*

This report reviews LSC funding and resource allocation for the period 1981 to 1985. It supports the proposal that LSC's FY 1987 budget be reduced from the $305.5 million request passed by the Board December 19, 1985 to no more than $280 million. The report demonstrates that:

- Increased appropriations from FY 83 to FY 85 have been absorbed in recipient personnel salaries and benefits;
- Increased appropriations have not increased the number of lawyers and paralegals in direct service to the poor;
- Outside funding of Legal Services recipients has increased from $47.8 million in FY 82 to $106 million in FY 85, contributing to record total funding levels with FY 85 funds exceeding any previous high by $40 million;
- "Minimum Access" is a flawed mechanism for determining the legal needs of the poor because it fails to take into account sources of available legal assistance other than LSC;
- A wide range of economical, effective services for the poor currently provide substantial legal assistance;
- Alternative dispute resolution services increase options available to the poor;
- The funding of National and State Support contractors diverts funds from the delivery of legal assistance;
- Special funding for migrants is duplicative and should be reduced or eliminated;
- Recipients continue to carry significant fund balances in an era of deficit spending;
- Expansion of alternative funding makes a $280 million federal appropriation to the Legal Services Corporation more than sufficient to meet program needs.

---

* This report reflects the views of Board member LeaAnne Bernstein.

BUDGET DISSENT OF LEAANNE BERNSTEIN

The Legal Services Corporation in 1986 and Beyond:

Introduction

With the automatic reductions mandated by Gramm-Rudman, Congress will need to make further cuts in many programs. LSC is no exception. The Corporation must recognize this reality and respond accordingly. At the December 1985 meeting in El Paso, Texas, the LSC Board of Directors voted 5-4 to freeze the FY 87 budget request at the FY 86 level of $305.5 million, notwithstanding the urgency of reducing federal expenditures.

This dissent proposes to illustrate LSC's ability to maintain or even increase its delivery of services at a lower level of funding. However, flexibility in funding allocations should be encouraged in order that this reduction not result in ill-advised or arbitrary cuts to the detriment of LSC clients. By implementing cost-effective programs, LSC can respond positively to recent changes in the legal services and dispute resolution environment.

Given federal budget realities, the focus on recipient and contractor[1] entitlements must be abandoned in favor of efficient client service. LSC's fiduciary responsibility is to provide the most economical and effective services to poor persons. The Corporation has embarked on an effort to reevaluate its recipients and contractors, their operations, and their effectiveness at meeting the LSC mandate. Congressional support is vital to such an effort.

---

[1] The terms "recipient" and "contractor" are used interchangeably throughout the dissent to indicate an entity which receives LSC funds in the form of a grant or other contractual agreement.

Recent data indicate that many different models of service delivery surpass the currently predominant staff model both in terms of efficiency and in preservation of client dignity. The recipients of LSC funds, and their representatives, have fought in recent years to preserve the status quo, and hence recipient attorney jobs and income, rather than to maximize low income individuals' access to justice. This dissent calls for a return to a focus on client service.

Increased Appropriations From FY 83 To FY 85 Have Been Absorbed In Recipient Personnel Salaries And Benefits

Funding for the provision of legal assistance has increased steadily from 1982 through 1985 (See Table I). Recipients, however, have chosen to allocate their budgets to emphasize increased salaries and benefits for existing personnel. They have not attempted to expand services by increasing personnel, adjusting the ratio of attorneys to

Table I: Attorneys, Paralegals, Advocate Budget Allocations & Caseloads (1981 - 1985)

	Recipient Attorneys	Paralegals	Advocates	Budget Allotments	Caseloads
1981	5944	2540	8984	166,103,000	1,245,226
1982	4907	2052	6959	113,103,000	1,147,221
1983	4766	1949	6715	128,607,590	1,274,318
1984	4767	1919	6686	138,050,820	1,227,058
1985	4728	1722	6450	160,279,970	n.a.*

*Not Available

paralegals or implementing cost-efficient, modernized methods of case handling.

As Table I indicates, between 1981 and 1985 the number of LSC recipient attorneys has declined on net by 20.5 percent, and recipient paralegals by 32.2 percent. The decline in paralegals is a disturbing trend, given the 11.5 percent growth of paralegal use by law firms in the private sector between 1983 and 1985. Despite sharply reduced advocate numbers, funds allocated in recipient and contractor budgets to advocates (defined as attorneys plus paralegals) have declined on net by only 3.5 percent.

Increased Appropriations Have Not Induced An Increase In The Number Of Lawyers Or Paralegals In Direct Service To The Poor

To date, the Corporation has seen no evidence which suggests that recently increased funding results in increased aid to low income individuals. In fact, increased funding appears to be concentrated on a shrinking personnel base and a static caseload, indicating higher personnel salaries and less service. The average LSC recipient attorney salary in 1983 was $21,150; in 1985 it reached $26,890, an increase of 27 percent, over three times the increase in the Consumer Price Index for the period. In addition, average recipient attorney fringe benefits increased by over 44 percent for the same period.[1]

---

[1] See 1985 LSC Fact Book.

LEGAL SERVICES CORPORATION
APPROPRIATION EXPENSES BY ACTIVITY -- FISCAL YEARS 1986 AND 1987

(dollars in thousands)

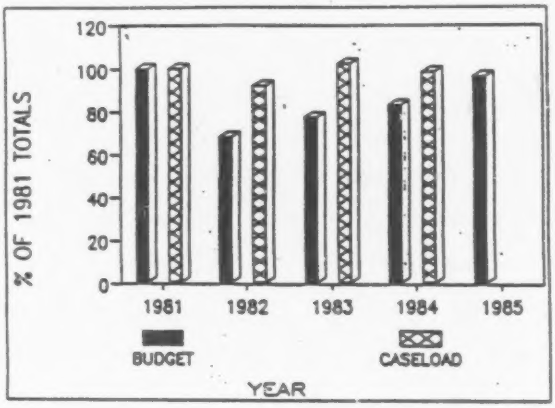
	1986 Funds Carried Forward from 1985		1986 Appropriation		1987 Base		1987 Request	
	Amount	Perm Posn's	Amount	Perm Posn's	Amount	Perm Posn's	Amount	Perm Posn's
Management and Administration	1,465	---	6,392	132	6,392	132	7,971	132
Program Activities	16,131	---	299,108	93	299,108	93	297,529	93
TOTAL	17,596	---	305,500	225	305,500	225	305,500	225

NOTE: The Corporation's Board of Directors has not acted on any of the above distributions. Additionally, the estimated Gramm-Rudman-Hollings reduction of 13,137 has not been included.

These average attorney salaries and benefits levels obscure even greater anomalies in grantee budget allocations.[1] For example, support center attorney salaries averaged $40,703 in 1985 (see discussion at page 19).[2]

The sharp increase in compensation for recipient personnel cannot be justified by increased levels of service. Rather, data for the last four years contradict the argument that increases in recipient budgets will permit them to serve a substantially greater number of clients.

FIGURE I



Service levels over the 1981-85 period have not varied with funding, as Figure I indicates. For example, in 1982 caseloads declined by only 7.8 percent although there was a 32 percent reduction in advocate budget allocations.

---

[1] Out of 95 Support Center attorneys surveyed, 36 received salaries exceeding $45,000 in 1985.

[2] Data compiled from 1986 recipient refunding applications.

Part of the problem is better understood when one notes the following facts:

- o Recipient allocation of resources is not linked to service priorities[1] or maximizing service.
- o A majority of recipients employ no mechanisms for measuring personnel productivity[2] (e.g., time records).
- o Despite an increase in the percentage of cases closed by "brief service" and "advice only," the number of LSC attorneys has risen sharply, while the percentage for other staff (paralegals in particular) has declined substantially.

Since over 80 percent of LSC cases do not require litigation, it is necessary to review the internal organization of LSC grantees to assess how efficiently they allocate resources.

TABLE II: Brief Services and Advice Cases, Litigated (Percent of total) Ratio of LSC Attorneys to LSC Paralegals

	B.S. & Advice %	Litigated %	Ratio of Attorneys to Paralegals
1981	47.6	20.5	2.3
1982	52.5	17.4	2.4
1983	53.3	17.0	2.4
1984	54.6	17.2	2.5
1985			2.7

Table II indicates that, given the distribution of "Brief Service and Advice" cases versus those requiring litigation, many recipient and contractor staffs may be top-heavy with attorneys. The ratio of attorneys to paralegals is clearly on the rise, while the percentage of litigated cases has been declining.

---

[1] Section 1007(a)(2)(C).

[2] Case closure costs run $182.50 as a national average (including all types of closures, e.g. advice) but some recipients average as much as $725.00.

These factors strongly indicate a misallocation[1] of scarce resources and lead one to question the methods used to assess program performance. Personnel income maintenance does not lead to the desired end of maximizing poor individuals' access to means of resolving disputes. Indeed, persuasive arguments can be made that just the opposite has occurred. The goal of ensuring eligible clients "equal access" to justice, as set forth in the LSC Act, can be better achieved with more up-to-date, innovative approaches.

---

[1] In light of these apparent inefficiencies, the Corporation has introduced various mechanisms to modernize information flows and streamline operations, for example Case Service Reports and Functional Reporting.

Case Service Reports will allow the Corporation to compare levels of service among recipients. Functional Reporting will provide the Corporation with comparative cost data to allow it to assess relative efficiency levels among recipients.

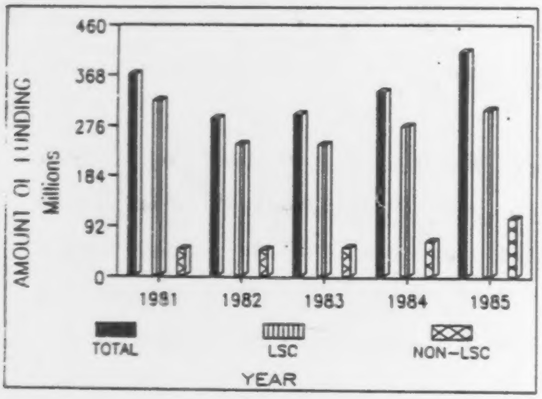
To date, the Corporation has not compiled objective comparative data for the purpose of assessing grantee performance. Accordingly, previous funding decisions were made on unreliable information and criteria. This would account for the vast disparity in funding levels among local field programs. Without mechanisms to find and eliminate system inefficiencies, the Corporation cannot fulfill its statutory mandate. Hence, it is imperative that these initiatives be institutionalized.

Predictably, there is resistance to these initiatives from many LSC recipients. Over the years there has been a shift away from direct service to low income individuals and an increase in support services, refunding rights, unionization, etc. In addition, interlocking directorates exist among recipient staff attorneys and various recipient boards in violation of LSC regulations.

Outside Funding Reached $106 Million In 1985, Contributing To Record Totals

Despite many voices suggesting budget deprivation, LSC recipients attained record funding levels in 1985. As Figure II indicates, there has been a steady increase in outside funding, from $47.8 million in FY 82 to $106 million in FY 85. These outside funds vary in source and size for each LSC recipient. However, given their growth, they cannot be dismissed as insignificant.

FIGURE II



An important source of outside funding is Interest on Lawyer Trust Accounts (IOLTAs). LSC encouraged IOLTA development and implementation by seeding the effort in 1983 with approximately $750,000 in development grants. Today, cumulative IOLTA funding stands at over $40 million. With only 13 out of 39 jurisdictions actually distributing funds, the 1985 distribution total came to nearly $27 million. As IOLTA programs expand, this funding source will also expand. LSC estimates that FY 87 IOLTA disbursements could surpass $40 million.

"Minimum Access" Is A Flawed Mechanism Because It Fails To Take Into Account Alternative Sources

Over the ten year history of LSC, budgetary decisions have been based on the vague concept of "minimum access to justice."[1] The most common standard mentioned is a minimum of two full-time attorneys per 10,000 persons designated by the Census Bureau as at or below the poverty level.[2] The question arises whether access to justice means two attorneys per 10,000 poor, or two LSC attorneys per 10,000 poor. If it means two LSC attorneys, then there is an assumption that LSC recipients (and therefore, primarily staff attorney) services are non-substitutable.[3] However, this assumption cannot be supported.

The LSC itself has embarked on several experimental programs which show great promise. First, the Corporation's Law School Clinic program promises to be a relatively efficient means of providing direct services to clients at the same time it offers students the opportunity to develop an understanding of community needs and goals. Preliminary research indicates that with average costs per case closed at between $160.00 and $200.00 this new approach is competitive with the staff attorney model. Second, the Corporation's Private Law Firm project has proven extremely successful with preliminary figures indicating the average costs per case at $114.00. In addition, mechanisms other than LSC currently provide poor individuals access to the court system and dispute resolution services. Several of these are outlined below.

---

[1] "Minimum access" was a concept introduced by the Corporation itself to justify increased federal expenditures and was admitted to be an arbitrary standard.

[2] Despite this "minimum requirement," funding levels have been frozen in a pattern which results in some areas receiving several times the "minimum" while other areas are well below this level. The 1985 access level, as measured by the 2 per 10,000 criterion, was 1.62 LSC attorneys per 10,000 poor. This level ignores entirely the alternatives outlined in this dissent.

[3] The ratio of recipient attorneys to paralegal personnel qualified to serve eligible clients in non-litigated matters has historically exceeded two to one despite the four to one ratio of non-litigated to litigated cases. As discussed earlier, this raises questions about the efficiency and effectiveness of the services LSC offers eligible poor. Are these funds being used in the most cost-effective manner?

A Wide Range Of Economical, Effective Legal Services Are Available To The Poor

Before examining several specific alternatives, it must be noted that two phenomena have revolutionized the legal profession since the Corporation was created in 1974.

The 1977 Supreme Court decision in Bates v. State Bar of Arizona, upholding the right of attorneys to advertise their services and fees, has generated new markets in commercial legal services. These range from high volume, low price firms to prepaid legal service[1] plans which, according to a recent study by the ABA Committee on Prepaid Legal Services, now serve in excess of 12 million consumers. This phenomenon has clearly expanded the client base of the U.S. legal profession and has also generated benefits to consumers by making legal services accessible to many lower income individuals.

At the same time the private legal services market is undergoing dramatic change, private and public resources are growing in the area of alternative dispute resolution (ADR).[1] ADR is a predictable response to high-cost, lengthy litigation. Rather than relying on a judicial system fraught with paperwork, delays and entrenched formalities, many individuals are opting to resolve their differences through negotiation aided by compensated and/or volunteer mediators. The persons involved in resolving disputes through ADR are those closest to the issues and situations involved. They are respectful of the uniqueness of their communities' problems and and provide an attractive alternative to what many perceive as an often insensitive system of justice.

---

[1] Investors Daily, February 2, 1986 reported two firms, Prepaid Legal Services and Judiciate, to be among the top 10 fastest growing companies in the financial services industry.

As a January 1986 ABA Journal article suggests, legal services entrepreneurs are rapidly emerging to aid Americans in resolving their disputes in more creative and humane ways. The Journal reports that "[I]n 1976 about 20 non-profit government dispute resolution programs were operating. . . Today there are about 330."[2] A survey by the Dispute Resolution Information Center indicates 1985 funding levels in excess of $11.7 million.[3] As will be shown below, this is just the beginning of a new era in dispute resolution. Many recent initiatives promise an increasingly wider range of legal services to a broader based clientele.[4]

---

[1] H.A.L.T. (An Organization of Americans for Legal Reform) Conference, "Setting the Legal Reform Agenda," Washington, D.C., February 7-8, 1986.

[2] ABA Journal, January 1986, pp. 17-18.

[3] See Table IV for details, supra p. 14.

[4] See, for discussion of this trend, "Law Professors Called Upon To Embody Ethical Standards, Legal Times, January 16, 1984.

Alternative Services Increase Options Available To The Poor

1. Pro Bono Publico

Of the legal assistance resources available, the most important are the *pro bono* services of private attorneys themselves.

TABLE III: *Pro Bono* Participation in the United States

State	Pov. Pop.	% of Pop.	Pro Bono	% of Total P.A.	P.B. 10K Pov.	Weighted P.B.
Alabama	719905	18.5	390	6.6	5	.15
Alaska	41615	10.4	440	25.0	106	3.18
Arizona	308515	11.4	510	7.5	16	.48
Arkansas	405999	17.8	732	19.3	18	.54
California	2626580	11.1	6500	8.2	25	.75
Colorado	284429	9.8	2294	23.1	81	2.43
Connecticut	242650	7.8	1030	11.4	42	1.26
Delaware	68408	11.5	250	22.7	37	1.11
District of Columbia	113254	17.8	880	4.2	78	2.34
Florida	1287056	13.2	5165	20.0	40	1.2
Georgia	884383	16.2	2140	19.1	24	.72
Hawaii	91618	9.5	200	7.0	22	.66
Idaho	116808	12.4	730	40.5	62	1.86
Illinois	1230541	10.8	3787	9.9	31	.93
Indiana	516190	9.4	757	9.1	15	.45
Iowa	286173	9.8	614	12.3	21	.63
Kansas	231718	9.8	1458	11.1	63	1.89
Kentucky	626240	17.1	194	2.5	3	.09
Louisiana	764848	18.2	125	1.2	2	.06
Maine	140996	12.5	800	40.4	57	1.71
Maryland	404560	9.6	4625	37.7	114	3.42
Massachusettts	532458	9.3	1915	9.1	36	1.08
Michigan	945915	10.2	1815	9.1	19	.57
Minnesota	374956	9.2	1843	15.4	49	1.47
Mississippi	587450	23.3	850	18.9	14	.42
Missouri	582252	11.8	658	5.8	11	.33
Montana	88284	11.2	447	26.3	51	1.53
Nebraska	162413	10.7	1071	24.9	66	1.98
Nevada	68266	8.5	125	6.0	18	.54
New Hampshire	75364	8.2	1010	50.4	134	4.02
New Jersey	689491	9.4	2083	9.4	30	. 9
New Mexico	204877	15.8	508	17.1	25	.75
New York	2290922	13.1	4514	6.6	20	. 6
North Carolina	839258	14.3	300	3.3	4	.12
North Dakota	76605	11.7	179	14.0	23	.69
Ohio	1088962	10.1	3071	9.8	28	.84
Oklahoma	393866	13.0	660	8.4	17	.51
Oregon	273743	10.4	1216	17.7	44	1.32
Pennsylvania	1209819	10.2	4320	13.8	36	1.08
Rhode Island	93959	9.9	200	10.8	21	.63
South Carolina	500363	16.0	255	5.5	05	.15
South Doakota	102036	14.8	0	0	0	0
Tennessee	736471	16.0	981	12.0	13	.39
Texas	2053426	14.4	2276	6.3	11	.33
Utah	145295	9.9	350	12.0	24	.72
Vermont	59059	11.6	0	0	0	0
Virginia	611310	11.4	948	7.9	16	.48
Washington	394891	9.6	1077	9.5	27	.81
West Virginia	286995	14.7	0	0	0	.0
Wisconsin	397813	8.5	794	8.1	20	. 6
Wyoming	34901	7.4	175	18.6	5	.15
Micronesia	113713					
Puerto Rico	1983201					
Guam	16571					
Total	29447461		67262	AV=10.7	AV=31.5	AV=.958/10,000

Source: ABA Pro Bono Directory, 1985

As Table III indicates, private bar *pro bono* participation, as reported by the American Bar Association in 1985, provides significant service to the poor. The part-time participation rate is roughly 32 attorneys per 10,000 poor. An estimated full-time equivalent can be derived by assuming that the average participant donates three percent of his/her time: about one to one and a half hours per week. This conservative assumption yields a full-time equivalent of .96 per 10,000 poor nationwide. When combined with the LSC's 1.62 per 10,000 poor, this exceeds the "minimum access" criterion by nearly 30 percent. Converting this into a rough LSC monetary equivalent requires multiplying that portion of the LSC budget allocated to staff attorneys by the ratio of *pro bono* equivalent to staff attorneys.[1] Since the *pro bono* equivalent is roughly 60 percent of the LSC attorney level per 10,000 poor, the monetary equivalent is $76.3 million, a resource which cannot be ignored.

2. Alternative Dispute Resolution

In addition to the efforts of organized *pro bono* programs, ADR programs, operated and funded by private foundations, public agencies or a combination of the two, offer a wide range of services to low income individuals.

---

[1] This calculation is based on non-LSC affiliated pro bono participation. The number would be significantly larger if the LSC Private Attorney Involvement projects were included.

TABLE IV: Alternative Dispute Resolution Community Centers*

STATE	FULL TIME	PART TIME	VOLUNTEER	BUDGET	CASELOAD	MEDIATED
Alabama						
Alaska	3	0	55	140,000	1800	80
Arizona	4	1	50	67,000	1335	255
Arkansas						
California	28	13	943	1,073,945	9416	1344
Colorado	15	6	93	177,000	8560	2097
Connecticut	9	2	68	60,000	1925	1347
Delaware	24	1	9	4,000	28,280	20,182
District of Columbia	5	8	88	165,000	1800	950
Florida	66	20	28	1,594,710	121,106	16096
Georgia	7	1	195	300,000	2855	1707
Hawaii	8	1	235	111,667	755	503
Idaho						
Illinois	9	3	52	84,000	260	N.A
Indiana	26	3	13	567,000	22,101	4448
Iowa	10	10	105	293,918	7745	2385
Kansas	3	0	40	55,000	120	20
Kentucky	9	12	7	185,000	11,589	4389
Louisiana						
Maine	0	17	0	50,000	N.A	N.A
Massachusettts	22	10	316	279,700	2291	1298
Michigan	2	3	86	75,000	625	241
Minnesota	9	10	563	196,273	2572	750
Mississippi						
Missouri	1	0	35	32,000	540	111
Montana						
Nebraska	1	0	21	5,000	100	45
Nevada						
New Hampshire	2	0	50	62,000	N.A.	N.A.
New Jersey	23	9	123	245,000	7396	3558
New Mexico	3	0	253	70,000	252	158
New York	134	93	1513	3,675,186	66,798	25,626
North Carolina	6	3	174	200,000	1127	693
North Dakota						
Ohio	6	3	107	155,000	2065	772
Oklahoma	3	15	133	33,190	1923	135
Oregon	9	24	25	435,250	807	37
Pennsylvania	2	13	69	5,250	2025	217
Rhode Island						
South Carolina						
South Dakota						
Tennessee						
Texas	19	9	246	857,000	6990	2743
Utah						
Vermont						
Virginia	4	2	165	87,020	182	58
Washington	3	1	125	55,000	409	81
West Virginia						
Wisconsin						
Wyoming						
Total	475	293	5985	11,395,859	315,749	92,326

*Source: Database on annual budget and caseload information, Dispute Resolution Information Center. This table provides data on Neighborhood Justice Centers for 33 states.

Table IV illustrates the widespread use and apparent efficiency of this means of dispute resolution. Of the 33 jurisdictions surveyed, three reported annual budgets in excess of $1 million. The data reveal that the average cost of an ADR case (as defined by the programs reporting) is less than 20 percent of the average cost of an LSC case (as defined in 1984). This determination was reached by using only LSC 1984 Basic Field Grants and the total reported annual budgets of ADR programs. The average cost per ADR case is approximately $36.00 while that of an LSC case is $182.50.

3. Legal Clinics

As noted above, the introduction of lawyer advertising has expanded markets to reach a broader range of individuals. The benefits of reduced fees and increased service, generated by increased efficiency, reach the entire spectrum of consumers, rich and poor alike. Many of the services provided by the innovative, highly competitive, high volume firms duplicate those provided by LSC grantees. Legal clinics restore the opportunity to engage in exchange, decrease dependency and enhance client dignity. They allow the poor client to exercise control over the attorney and therefore, to receive the respect normally provided a paying client.

In an interview with LSC Staff on January 29, 1986, Joel Hyatt, of Hyatt Legal Services, stated that:

> new developments are taking place that suggest that there are now delivery systems that are more efficient than those currently utilized by the government. I think we can provide more services for less money. . . Moreover, I do think there are more opportunities in the private sector for aid to lower income individuals than there were 10 years ago.

Such a client-centered, rather than recipient-centered, approach is available in increasingly competitive private legal services.

4. Sliding Scale Co-payments

An LSC Board member, Lorain Miller, has suggested that the LSC introduce a system of co-payments in order to approximate market results. Under such a system, the client would pay a fraction of the cost of his/her legal service, with the amount depending on his/her income level. Ms. Miller, a client-eligible member of the Board, suggested in a statement to Congress that a system of co-payments, while recognizing the lower income individual's inability to pay in full for the service, would increase consumer choice, enhancing the dignity of the low income client. A system of co-payments would predictably discourage frivolous litigation without deterring meritorious actions. As Douglas Besharov, Director of the American Enterprise Institute's Social Invention Project recently testified before the LSC Board, it is essential that LSC attorney actions be more closely linked to client needs, as determined by clients. The co-payment system provides such a link.

5. Other Mechanisms

Without an accurate accounting of all the various funds allocated toward low income individuals' legal and dispute resolution services, the actual funding requirements of LSC cannot be determined. Among other presently existing, but as yet uncounted, resources operating on behalf of LSC-eligible clients, as well as the general public, are the following:

(1) high volume, low-priced law clinics;

(2) non-lawyer representation before various administrative agencies at all levels of government;[1]

---

[1] See for example Administrative Conference of the United States, "Non-Legal Representation of Individuals in Federal Mass-Justice Agencies," forthcoming.

(3) law school clinic programs (see LSC Budget Request at 4-6);[1]

(4) federal, state and local consumer protection agencies;

(5) mediation centers, such as the Open Door program and Endispute, both in the District of Columbia;[2]

(6) other "mediating structures" (e.g., churches, neighborhood associations, etc.) that work on behalf of the citizenry;

(7) ombudsman or similar offices of federal, state and local benefits agencies;

(8) congressional offices in Washington, D.C. and local districts;[3]

(9) other constituent relations offices of state and local elected officials;

(10) public-interest law firms;

(11) lay legal manuals and "do-it-yourself" kits that eliminate the need for a lawyer in routine matters;

(12) pro se representation accompanied by simple forms and explanatory information;

(13) television news "consumer watchdog" or "legal eagle" programs;[4]

(14) newspaper columns with a question-answer format on consumer and/or legal problems;[4]

---

[1] The D.C. Law Students in Court program reported a 1985 caseload of 5,341, not much less than the 6,739 total reported by LSC's D.C. recipients for the same year.

[2] In D.C. alone there are at least six entities providing mediation-type services.

[3] Preliminary research indicates that congressional caseworkers handle a substantial number of cases involving disputes over entitlements between low income constituents and federal agencies.

[4] A preliminary survey at the National Association of Broadcasters indicates many programs offering legal advice, etc. For examples, see Attachment A.

(15) media talk shows focusing on solving inter-personal problems;[1]

(16) library resources (e.g., information desk, access to computers and software);

(17) the justice system itself (e.g., clerks, legal assistants, small claims processors, etc.);

(18) specialized legal programs such as New York's Volunteer Lawyers for the Arts.

To date, fundamental information on the many alternative legal and dispute resolution services[2] for poor persons has been absent from analyses of the Corporation's budget. This dissent attempts to remedy this serious shortcoming by identifying elements which LSC and others in the appropriations process must consider in order to arrive at a budget figure which reflects the wide and growing range of alternative services that are now available. These resources must be harnessed on behalf of poor persons to afford them maximum access to justice. This new approach recognizes the strengths of individuals and communities and demonstrates respect for their ability to solve problems on their own, without unnecessary government intervention. LSC should take the lead in encouraging more responsive mechanisms to operate for poor persons.

Without examining the merits of the "two attorneys per 10,000 poor" criterion, it can be shown that the combined resources of LSC attorneys, private bar *pro bono* efforts, and

---

[1] *Talk Net*, an NBC program, airs on 257 stations nationwide for 3-5 hours per day,-also see note 4, page 17.

[2] See generally, John Tierney, "Van O' Steen Brings the Law to the People," *Esquire*, December 1985.

ADR Neighborhood Justice Centers far exceed "minimum access" as defined by proponents of an increased LSC budget. These results are most impressive in that they do not include other alternatives for which dollar values have not yet been established. LSC must respond to the reality that services to lower income individuals are evolving in the area of dispute resolution. Segregating low income individuals for selective services from federally funded recipients hinders, rather than supports, the growth of a broader range of alternatives that should be working on behalf of the poor.

Support Centers Expenditure Not Necessary

When the Corporation was created in 1974, word processing technology had barely begun. Computer access to legal authority (opinions) was scarce and relatively expensive. Today, computer technology is abundant and accessible at very low costs. Through micro-computers and Lexis/Westlaw, any attorney can duplicate pleadings and perform legal research from his desk.

The Legal Services Corporation Act of 1974, as amended in 1977, gave a clear mandate that appropriated funds should go to grantees that deliver legal services directly to clients. An excepting provision, (§1006(a)(1)(B)), states that the Corporation shall make "such other grants and contracts as are necessary to carry out the purposes and provisions" (emphasis added) of the Act. The Corporation is currently reviewing economical and effective training and support mechanisms. Budget realities make an allocation of $16,000,000 in grants to State, and National Support contractors, at the expense of direct service delivery, difficult to justify.

The 17 National and 61 State Support centers and 5 Regional Training centers, duplicate the efforts of each other as well as services available from proprietary legal trainers, and legal publishers, such as Commerce Clearing House (CCH), Bureau of National Affairs (BNA), among others.[1] 1985 State Support totalled $8,183,930; National Support totalled $7,415,690; and Regional Training Centers received $734,261. Little direct service is provided by these entities and the overall contribution of these "think tanks" is open to question. Hence, budget realities demand a close scrutiny of such a large expenditure on non-essential or duplicative services.

---

[1] Proprietary Services Duplicated by National and State Support Centers

Bureau of National Affairs	Weekly Services	Cost/Yr
	Housing and Development Reporter	$556
	Family Law Reporter	$332
	Product Safety and Liability Reporter	$516
	OSHA Reporter	$484
Commerce Clearing House	**Bi-Weekly Services**	**Cost/Yr**
	Medicare & Medicaid Guide	$467
	Bankruptcy Law Reporter	$387

With average National and State Support attorney salaries above 140 percent of the average field recipient attorney salary level, there is further cause for closer examination. One Corporation contractor, the Native American Rights Fund/Indian Support Center (NARF)[1] in Boulder, Colorado, maintains staff attorney salaries averaging in excess of $55,000 per annum.[2]

Special Funding For Migrants Is Duplicative

The amount of special funding available for the representation of migrants should be reduced by at least one-half for three reasons:

(1) grantees are free to (in fact must) set their own priorities based on the perceived needs of their communities; if migrant problems are a major concern in their communities, migrants will have access to representation through basic field funding;

(2) migrants were counted in the last census, so any additional funding could only be justified on the basis of unique difficulties in access -- halving the current excess funding takes any special access problems into consideration; and

(3) many of the issues (actions) brought on behalf of migrants could be handled by the U.S. Department of Labor; many of these actions also provide for recovery of attorneys' fees, thus making it inappropriate to fund such representation with limited LSC dollars.

---

[1] In its 1986 refunding request, NARF insists that its services cannot be replicated elsewhere for a sum equal to its grant ($260,000.00). However, based on a national average cost per case of $182.50, the Corporation is forgoing at least 1420 cases per year by continuing to fund NARF.

[2] Nine of the eleven highest paid National Support attorneys are employed by NARF. Its director receives a salary in excess of $74,000 per year.

As the LSC Board's FY 87 Budget Request suggests, forty out of forty-two "Migrant" programs also receive funds based on "minimum access" criteria traditionally used by the Corporation. The additional funds earmarked for "migrant" work cannot be justified on "special access problems" criteria because migrants are counted in the Census Bureau's poverty statistics and thus figure in the recipients' regular budgets.[1]

Recipients Continue To Carry Significant Fund Balances In An Era Of Deficit Spending

In 1982, it was revealed that LSC recipients were holding fund balances in excess of $40 million. According to a report from the General Accounting Office (GAO) entitled "The Establishment of Alternative Corporations By Selected Legal Services Corporation Grant Recipients," total fund balances may have been understated at the time because some recipients created "mirror corporations" and transferred significant LSC funds to those entities in an attempt to evade restrictions on LSC activities and carryover regulations. In its report, the GAO indicated to the Corporation that, in its opinion, all funds located in such "mirror corporations" should be subject to recapture by the LSC.

The GAO study examined only three of 325 LSC grantees. The investigation found that two of the three examined have such a "mirror corporation" relationship. Currently, LSC does not have sufficient information to determine the extent of this

---

[1] See discussion at page 10 of LSC FY 1987 Budget Request.

"money hoarding" practice. However, 1985 refunding applications indicate that total carryover fund balances, defined as all funds not used in a prior budgetary period, exceeded $13,837,000. Carryover balances of LSC funds represent a lower percentage of initial levels than those for non-LSC source funds, indicating a strong spending preference toward LSC, rather than non-LSC funds.

TABLE V: LSC Budget Adjusted To Reflect Alternative Resources

LSC Board-Passed 1987 Budget Target		305,500,000
Pro Bono LSC Monetary Equivalent	76,300,000	
Alternative Dispute Resolution	11,700,000	
Estimated 1987 IOLTA Funds	40,000,000	
Carry over	13,800,000	
National, State Support and Training*	16,000,000	
Total Adjusted Budget		148,000,000

*The National and State Support and Training Recipients would be replaced with more economical, direct service facilities such as law school clinics and proprietary services.

Table V indicates that, if documentable and easily estimated LSC alternatives are taken into account, the LSC Board-passed budget exceeds calculated "minimum access" needs by over 50 percent. The adjusted figure of $148 million from Table V reflects an appreciation for alternatives to LSC recipient programs. It does not include any valuation of the other viable options listed at pp.17-18. It is thus a step in the direction of funding levels consistent with the changing legal services environment and with the Congressional mandate to achieve a balanced budget by 1991.

CONCLUSION: Expansion of Alternatives Make a $280 million Federal Appropriation More Than Sufficient To Meet Program Needs

Private and public sector initiatives to meet the needs of the poor at the community level indicate a clear shift away from reliance on a federally funded and administered legal services program. LSC should not discourage private initiatives and local funding responsibilities for providing access to justice. The Corporation needs the flexibility to withdraw from these areas and should promote local responsibilty for community needs. Resources and interest at the community level are growing and will continue to grow -- if the federal government lets them. As President Reagan stated in his 1986 State of the Union message to Congress, the nation experienced "$74 billion in voluntary giving just last year alone." These initiatives not only offer to return funding and administration of legal services to more responsive entities, but will assist LSC in returning to its original purpose.

Any public initiative, whatever its initial intentions and design, must be regularly scrutinized with an eye toward improvement. LSC recipients, with roots dating back over two decades, have not undergone a thorough reassessment and have resisted such scrutiny. As Senator Jeremiah Denton has argued in a recent article,

> . . . individual poor people were denied legal services which taxpayers assumed they were funding. These poor persons with very real legal problems were turned away because attorneys were too busy. Too busy doing what? Saving their own jobs.[1]

---

[1] Senator Jeremiah Denton, "The LSC Survival Campaign: Manipulating Against the Mandate," in The Robber Barons of the Poor (Washington, D.C.: Washington Legal Foundation): p. 86.

The failure to revisit and improve program design has and is hurting those who are in need of legal assistance. In an effort to allow for further evolution of the ideas that generated LSC, the Corporation must boldly employ all the means necessary to maximize access to justice for the poor.

ATTACHMENT A

LEGAL ADVICE AVAILABLE THROUGH BROADCAST AND PRINT MEDIA

SYNDICATED TV PROGRAMS:
The Joys of Litigation
Consumer tips about legal system with a sense of humor
90 seconds

LOCAL TV PROGRAMS

1. The Law and You -- Orlando, FL WCPX
2. Miller's Court -- Needham, MA WCVB
3. Ask the Lawyer -- Saginaw, MI WCMU
4. Ask Your Lawyer -- Cincinnati, OH WKRC
5. The Legal System and You -- Chattanooga, TN WTCI
6. The Law and You -- Milwaukee, WI WTMJ

RADIO GROUPS, REGULAR NETWORKS AND INDIVIDUAL SYNDICATES

1. Talk Net -- NBC Radio
   (Interpersonal relations, financial and legal advice; 3-5 hours daily, 5 times weekly on 257 stations)
2. Legally Speaking -- Associated Broadcasting News Service
   (Making sense of legalese, blowing up the small print; 2-5 minutes, 5 times weekly)
3. Looking at the Law -- CBS Radio Stations News Service
   (90 seconds, 5 times weekly)
4. Full Human Rights -- In Touch Networks
5. You're the Judge -- O'Connor Creative Services
   (Radio "People's Court"; 90 seconds)
6. Point of Law -- Signal Productions
   (Discusses legal decisions of public interest; 3 1/4 minutes, 5 times weekly)
7. Legal Briefs -- UPI Radio
   (How the law affects the common person; 90 seconds; two time weekly)

LOCAL RADIO PROGRAMS

1. You and the Law -- Tucson, AZ KTUC-AM
2. The Justice System -- Pasadena, CA KCAL-FM
3. Legal Rights -- San Fransisco, CA KQED-FM
4. Law and Controversy -- Chicago, IL WMAQ-AM

NEWSPAPER SYNDICATED LEGAL FEATURES

1. A Good Book to Read -- Law Education Institute
2. Alan Dershowitz -- United Feature Syndicate
3. Brief Cases -- Copley News Service
4. The Brothers in Law -- Brothers in Law
5. Dear Mr. Goller -- Beverly Hills By-Line
6. Last Week's Opinions -- Travel and Leisure Features
7. Law and Order -- Law Education Institute
8. Law Briefs -- Law Education Institute
9. Legal Limits -- Legal Briefs
10. News from the Courts -- Travel and Leisure Features
11. On Marriage and Divorce -- Cowles Syndicate, Inc.
12. Our Vanishing Liberties -- Specialty Features Syndicate
13. Pay the Two Dollars -- Beverly Hills By-Line
14. Working it Out -- Cowles Syndicate, Inc.
15. World According to Belli; -- The Continuum Broadcasting Network/Generation News Syndicate
16. You and the Law -- Intercontinental News Service
17. You the Jury -- Oceanic Press Service

Mr. Smith. Please proceed with your statement.

GENERAL STATEMENT

Mr. Mendez. Mr. Chairman, I have a short statement I would like to read into the record.

I thank you for the opportunity to appear before this distinguished subcommittee today. On behalf of James Wentzel, the President of Legal Services Corporation, and the Corporation's board of directors, please accept my sincere appreciation for your courtesy and your willingness to consider the thoughts and ideas of those of us who have accepted the challenge of overseeing the work of the Legal Services Corporation.

Our great nation is at a crossroads in its fiscal and budgetary structure. Profound and fundamental questions about the establishment of public policies, in relation to the fulfillment of human needs, will be given extensive consideration this year.

This subcommittee will play a key role in shaping these new policies. Few tasks are more difficult. Eliminating or scaling back well-intended programs will certainly invite overwhelming pressure.

Both supporters and critics of LSC expect that the Corporation will receive substantial attention from this subcommittee in 1986.

The reason for such predictions is quite clear. While there is strong support for ensuring access to justice for the economically disadvantaged, financial resources are limited. Only through a careful examination of the structure and priorities of LSC can Congress be certain that appropriated funds are being used to maximize service to the poor.

As a member of the LSC board of directors, my first responsibility is to ensure that eligible clients of our grantees are being served in the best manner possible.

I can assure you, Mr. Chairman, that every member of the board of directors is committed to acting in a compassionate and professional manner.

We worked hard for more than a year, and developed a sensitivity and awareness of the many complex issues involving the mandate of LSC.

Fulfilling our statutory responsibility requires that we ask several important questions. The first question we must ask is whether we have allocated funds in such a way that it maximizes the number of persons being served.

In answering this question, the board of directors is dependent upon Congress to provide us with sufficient flexibility to make allocations to maximize service.

Naturally, there will be those who vigorously object to our allocation decisions, but decisions are unavoidable. If the future of LSC under Gramm-Rudman means gradual reductions in funding, there will be a corresponding decline of funding to the basic field programs, and, consequently, a decreasing number of clients being served. Only through reorganization of funding priorities can a loss of service to poor persons be minimized.

Another question, similar to the first, arising from the Board's fiduciary duty to the clients, involves the manner in which services are being provided.

Presently, the vast majority of grantees employ full-time staff attorneys. The Corporation is actively considering a variety of supplemental programs to the staff attorney model in the hope of finding ways to provide greater service with the limited fundings available.

One promising area is mediation and alternative dispute resolution. Hundreds of communities across the country have established programs where individuals are resolving legal disputes in a less time-consuming and a less costly fashion.

In addition to alternative dispute resolution, the Corporation is committed to pursuing continued involvement in law school clinics in the provision of legal assistance. In September 1985, the Board decided to use law school clinics more effectively and broad-based service for poor clients by annualizing the line item in the LSC budget for law schools.

There are several benefits to this program. First, clinics deliver effective and efficient legal services to low-income individuals. Second, clinics are an effective tool for training future legal services attorneys, and members of the private bar in legal areas most commonly affecting low-income clients.

Third, clinics serve as a recruitment device for trained young attorneys into Legal Services programs. Finally, clinics encourage *pro bono,* or reduced fee services by future members of the private bar.

A final question that must be given our fullest attention concerns the accountability of the Corporation and its grantees for the use of Federal funds.

This subcommittee has acted often in the past several years to set clear boundaries for LSC and its more than 300 grantees with regard to their practices and activities.

LSC's monitoring and auditing programs are Congressionally mandated to ensure that funds appropriated to provide legal assistance to the economically disadvantaged are expended for this purpose.

To fulfill this responsibility, LSC must have accurate and timely data for programs concerning their practices and performances.

Clearly, the challenge faced by this subcommittee is great. The task of reconciling the values we share regarding our nation's system of justice, with the economic realities of 1986, will require difficult choices and sacrifices. I thank you for your dedication to this task, and your willingness to listen to the Corporation. I believe that by working together, and by acting boldly, we can enter fiscal year 1987 with confidence, knowing that we are making the best use of available funds.

Mr. SMITH. Thank you, Mr. Mendez. I have some questions relating to sequestration which I will insert in the record at this point and you can supply the answers.

[The questions and answers thereto, follow:]

Question

1. What would be the impact on the activities of each agency in the Department if each agency received the same amount for FY 1987 that was appropriated for FY 1986 before sequestration with no other adjustment for uncontrollable items?

Answer

In its FY 1987 Budget Request, LSC requested $305,500,000, an amount equal to its FY 1986 pre-sequestration funding level. The LSC Board of Directors agreed to seek a freeze in funding as a result of reliable data indicating a rise in the amount of non-federal funding to LSC grantees. For example, distribution of funds from IOLTA (Interest On Lawyers' Trust Accounts) programs is expected to rise dramatically within the next two years. Approximately forty states have established IOLTA programs.

The most significant consideration relevant to the LSC funding level pertains to client service. The Corporation's mandate is to make grants and enter into contracts for the provision of legal assistance to eligible clients. Through creativity and careful planning, LSC is attempting to leverage limited funding in a manner which produces increased client service. Programs such as law school clinics, mandatory private attorney involvement and vouchers are quite promising in this regard.

Question

2. If the Department received the same amounts in FY 1987 that it received in FY 1986 after sequestration, what would be the impact on the activities at each agency?

Answer

While some programs funded by LSC may not experience the benefits of increased outside funding, many programs should. However, as stated in the preceding answer, client service is the most important consideration. LSC's basic field programs, which provide direct service to clients, received a 4.2 percent increase in funding in the FY 1986 appropriation. Consequently, the impact of the recent sequestration (4.3 percent) was insignificant. The impact of another reduction in funding as a result of a reduced FY 1987 appropriation would clearly be more problematic for certain programs not receiving increased non-federal funding. The LSC Board is prepared to give serious consideration to a restructuring of funding allocations which would emphasize direct delivery of legal assistance to clients.

Question

3. What would be the impact on each of the agencies in the Department if each were to receive a percentage reduction of 8.4 percent below the FY 1986 amount, adjusted for sequestration?

Answer

The current structure of the system for delivering legal services (staff attorneys and an elaborate network of back-up programs) presupposes a high level of federal funding. This conclusion is supported by the fact that increased appropriations in the past four years have resulted in higher staff attorney salaries, not in expanded services. In addition, approximately $17,500,000 will be spent in FY 1986 for support programs. Thus, the issue to be examined is whether a significantly reduced funding level could continue to support this structure.

Certainly the need for increased private initiatives would be necessary if LSC sustained an additional 8.4 percent cut. It may be that the most prudent use of tax dollars would be to stimulate and encourage creative, high-quality private programs which provide legal assistance to eligible clients. In addition, spending reductions at the headquarters level which do not jeopardize the Corporation's fulfillment of its responsibility to insure accountability would be necessary.

Question

4. What action is the Department taking to consider these possibilities - - have you formed a task force or done any contingency planning?

Answer

LSC has given considerable thought to the impact funding cuts will have on the operation of programs and headquarters. The Corporation is actively exploring possibilities involving private sources of funding, greater private attorney participation and alternative programs for client service. LSC is committed to encouraging local community support and involvement, particularly from bar associations. In addition, the Corporation will continue to examine ways to reduce costs associated with management and administration while maintaining excellence in oversight responsibilities.

We are aware that the Public Printer, at the Government Printing Office, has certain initiatives to encourage Federal agencies to take maximum advantage of GPO commercial procurement contracts. Also, the new GPO electronic publishing procurements are now saving very substantial tax dollars. We would like to know what plans you may have to increase your reliance on GPO commercial procurements for both printing and electronic publishing.

Legal Services Corporation (LSC) plans to use GPO commercial procurements when its in-house service is unable to provide such service. LSC's print shop has the personnel and equipment necessary to handle most, if not all, of LSC's printing needs. LSC does all of its printing in-house for two reasons. First, the in-house service cost is considerably less than commercial rates. Second, LSC's in-house service provides flexibility and speed not found in most commercial print shops.

Mr. SMITH. Well, as is indicated in your statement in different ways, the last four or five years have been pretty rough for Legal Services. I remember when we got the appropriation up to $32 million. The next thing I knew we had budget requests for zero. The Administration wanted to wipe it out.

We finally ended up with $241 million and felt lucky to get that. Finally we got up to $305 million and it has been frozen there, now, for a couple of years.

Now comes Gramm-Rudman and you have a substantial cut on top of freezes. A big share of the money is used of course for salaries and those kinds of expenses that are not easy to cut.

IMPACT OF GRAMM-RUDMAN

Now how are you going to handle this Gramm-Rudman reduction? How much is it, to start with?

Mr. MENDEZ. For this first cut, Mr. Chairman, it is approximately $13 million.

Mr. SMITH. How are you going to handle that?

Mr. MENDEZ. Mr. Chairman, with regard to Gramm-Rudman and the overall funding, I should advise you that Legal Services grantees, this last year, received more money than ever before in history with the private funding sources available to them.

This past year, the overall amount that the Legal Services grantees have received is $411 million. A hundred and six million dollars was through private sources such as IOLTA, as well as the private donations they received.

Mr. SMITH. One of the problems with that—if I can interrupt you—is that it is not uniform.

Mr. MENDEZ. That is correct.

Mr. SMITH. The areas that need it the worse do not get the private money.

Mr. MENDEZ. Well, that is true in some of the areas, but I think that many of the areas that need it very badly are receiving those funds. In virtually every State where IOLTA is in effect, a minimum of 80 percent is given to the Legal Services grantees.

Mr. SMITH. How many States have IOLTA now?

Mr. MENDEZ. Thirty-seven, I believe.

Mr. SMITH. Go ahead. I interrupted you.

Mr. MENDEZ. With regard to the Gramm-Rudman cuts, it is across the board, and it is at 4.3% in every area, and the Conference Report indicates which areas, by line, that we were to cut, and how it was to be done.

We believe that we can live with Gramm-Rudman. Even with the Gramm-Rudman cuts there will be approximately $27 million more available under our computation next year than this year, because of the increase of IOLTA.

Mr. SMITH. If you count the private?

Mr. MENDEZ. That is correct. I think it is fair to count private, though, because IOLTA, such as IOLTA, was started essentially with our monies. We gave $750,000 to start the IOLTA programs around the country. We gave approximately half of that amount, was——

Mr. **Smith**. Well, I guess that depends on how you look at it. I look at the $305 million, or in fact $320 million, as somewhat like Social Security. It is the very base, and, those areas that can, must build above that, but that is the very minimum.

And if some area can get some private funds to add to it, why, that is great. I do not think that necessarily, when you add a dollar of private funds, that that necessarily means that there is going to be a reduction in the public——

Mr. **Mendez**. That was not what I was implying, either. I believe that there is a minimum level of Federal funding that is necessary.

As the Chairman of Audit and Appropriations this year, I made that determination, that I thought that we could live at the optimum level of 305. However, I am stating to you that we can also function within the Gramm-Rudman cuts.

Mr. **Smith**. Now what will it do, in some instances—even though in some instances they may get private money to make up for it—what do they do, where there will not be as much money as they had the year before? Will they have to reduce personnel, or can they reduce salaries and expenses?

Mr. **Mendez**. Mr. Chairman, we need to divide your question, I believe, into two parts. First, with regard to basic field programs, the personnel and the group that are providing direct service to poor people, this last year we were increasing them by 4.3 percent. Gramm-Rudman in effect will reduce those programs by approximately 1 percent.

So, for those programs that are giving direct services to poor people the effect will be fairly small. For other programs it will be substantially more than 1 percent.

Now, depending on the programs, such as Management and Administration, we are looking at eliminating staff positions, staff slots, reexamining the issue of regional offices, just to make sure that we determine what is the most effective use of our monies and where we can best make the cuts in the Corporation.

Mr. **Smith**. In other words, am I reading between the lines here, that you are saying field services are the highest priority?

Mr. **Mendez**. I would say not "between the lines." Let's make it right there, right on the top line, center stage, that field services delivery of monies, and services to poor people is the primary goal for this Board.

Mr. **Smith**. Mr. Early.

LEGAL SERVICES COVERAGE

Mr. **Early**. Thank you, Mr. Chairman. What percentage of the country does the Legal Services Corporation cover?

Mr. **Mendez**. It covers the whole country. We have about 320 different grantees. We have a variety of grantees in virtually every State.

Mr. **Early**. So there is no area in the country that does not have at least a minimal amount of service?

Mr. **Mendez**. That is correct. In many of the areas in the country, we have the basic field programs, State and national support backing them up, migrant funding covering a portion within the State, and Native Americans covering another portion in the State.

We have law school clinics covering portions in the States. Now we are hopefully not duplicating services in any area. Our intent is not to duplicate the services and hopefully, we are covering the whole country without duplication of services.

USE OF PRIVATE FUNDS

Mr. EARLY. How is it determined who gets the private money?

Mr. MENDEZ. All the people that we give the grants to have a right to apply for private money. Much of the private money is through United Way and those types of foundations.

Mr. EARLY. So, who has control of the donation once it is donated? Do you have total autonomy at that time?

Mr. MENDEZ. No, we do not have. We do not have total control. No, we do not.

CONFIRMATION OF BOARD MEMBERS

Mr. EARLY. How many of your members on the Board have been confirmed by the Senate?

Mr. MENDEZ. Everyone.

Mr. EARLY. Everyone has?

Mr. MENDEZ. We were confirmed this last year.

LSC BOARD VOTE ON BUDGET REQUEST

Mr. EARLY. Now, only one member dissented to this budget before us?

Mr. MENDEZ. No. It was a five to four vote. Two members were not present, and, there were dissenters both on the low side and on the high side. But there was one member who dissented in a written dissent. The other members did not dissent——

Mr. EARLY. Was he on the low side or the high side?

Mr. MENDEZ. It was a young lady and she was on the low side.

Mr. EARLY. On the low side.

Mr. MENDEZ. The written dissent was.

Mr. EARLY. That is not much of a vote of confidence; five/four, with two missing. We get the President continually saying year after year we should zero out this program. Maybe we should take him up on it.

You know, this Corporation has stayed alive because of Chairman Smith over the years. But I am not sure, as we put everything into priorities, that the President might not be right. This corporation might be something that the private sector or states would pick up.

Mr. MENDEZ. Well, all of the members of the Board are committed to the delivery of legal services to poor people. What Congress does, and what you do, I would be reticent to say, but I believe that we are performing a service.

I believe that through our activities, we have increased the interest of the private bar and private corporations in delivery of service to poor people.

PRIVATE SECTOR INVOLVEMENT

Mr. **Early**. But you state that all eleven Board members agree on services to poor people. Evidently, from the Board member vote on this budget, some of them may think that the private sector might do a better job?

Mr. **Mendez**. I think that all of us believe that there is an area for the private sector to be involved.

Mr. **Early**. Well, the President thinks there is an area, a 100 percent area.

Mr. **Mendez**. I am sorry.

Mr. **Early**. The President thinks there is a 100 percent area.

Mr. **Mendez**. That is correct; the President does believe that. I believe, though, personally, the Federal government does need to be involved in this area to some extent.

Mr. **Early**. Why?

Mr. **Mendez**. Because I believe that we need to use such activities as law schools, their clinic programs. We are helping the clinics in law schools to train new lawyers, to provide the basic cadre for the bar associations to provide *pro bono*. For example——

IMPACT OF SEQUESTRATION

Mr. **Early**. Wait a minute. Let's say I agree with that. Where I get really distraught is when you come in here and tell the Chairman that the $13 million sequestration is going to be taken across the board.

How can anything be legitimate and be across the board? Particularly if it is a top priority project? Everyone cannot stand the same type of cut, particularly poor people.

Mr. **Mendez**. Congressman, I agree that that is not the best alternative, but I would like to point out to you that this Board, this last year, stated that we wanted to make a ten percent cut to national support. The conference report came back and told us not to touch it. Now, we would like to have permission to reexamine those types of activities, and focus the monies, and national and State support. There is substantial thought on this Board to taking national and State support monies, and moving it into the basic field programs to give those monies directly for the use of poor people.

Mr. **Early**. If there is any way that is an easy way out for any administrator, it is to take an across the board cut. And how can you say that you are dealing with poor people? A lot of areas have more poor people than the others. A lot of people have more immigrants; and it does not appear that you make any adjustment.

Mr. **Mendez**. Congressman, I would like to state to you that if we bring up a reprogramming notice, stating that we are going to take monies out of certain areas such as national and State support, and moving it over into basic field programs, I would hope that we would receive a good reception from you and this committee.

Mr. **Early**. You might get it from some of us, and you might get a lot of trouble. But it seems that the Legal Services Corporation is always in trouble. The only type of trouble it appears you get in is when you overstep yourself. You don't seem to get in trouble when you are providing service to poor people. It is when you are out servicing people that you should not be servicing, or you run into interstate type problems, or local problems, that you get into trouble—not poor people. The only time you are consistent with poor people is when you are talking about them.

I have a lot of problems with this program. This program has stayed alive year after year due to this particular Committee. When Chairman Slack was here, it stayed by one vote. Chairman Smith has always supported the merits of this Corporation. Now we are going to have to make big, big cuts. I hope we do not make them across the board.

I hope instead that we pick programs that should continue to be funded and pick programs that should be eliminated. Where this program falls, I do not know. But I certainly do not think it enhances your credibility, by taking the $13 million sequestration across the board. Thank you, Mr. Chairman.

Mr. SMITH. Well, you do not have any choice under Gramm-Rudman, do you?

Mr. MENDEZ. No, we do not. We have to take them across the board, but we can come back in and ask for reprogramming under that.

Mr. SMITH. Yes; fine.

Mr. MENDEZ. And that is what I was addressing.

DISTRIBUTION OF FUNDS TO THE FIELD

Mr. SMITH. Well, now, your distribution to the field is on a basis of one attorney to "X" number of poor people, right?

Mr. MENDEZ. No.

Mr. SMITH. Well, enlarge on it.

Mr. MENDEZ. Our distribution to the field is based on dollars per capita, based on the 1980 census of poor persons.

Mr. SMITH. Yes, okay. Poor persons. Well——

Mr. MENDEZ. There is a standard of two persons per ten, two attorneys per ten thousand, that has been bandied about among legal services groups for several years, but your funding to us, and the way that we give our grants——

RATIO OF POOR PERSONS PER LSC ATTORNEY

Mr. SMITH. Yes. Well, that comes back to the same thing. The measurement may not be completely accurate, but essentially, what we are trying to do is to distribute money on the basis of the number of poor persons relative to attorneys.

Mr. MENDEZ. Of poor persons.

Mr. SMITH. What do you figure that number is now? At one time it was two attorneys to ten thousand. What is it now?

Mr. MENDEZ. Well, the dissent points out, that if we use not only our moneys—if we use just Legal Services' moneys, it is approximately 1.69—but, if we use the private moneys and private *pro bono*, and that type thing, that we have approximately two and a half attorneys per ten thousand.

Mr. SMITH. How many dissented because they thought the money was not adequate?

Mr. MENDEZ. One.

Mr. SMITH. One. And three because they thought it was too much?

Mr. **Mendez**. No, excuse me; backwards. One dissented because she thought the money was too much, and three dissented because they thought it was not adequate.

Mr. **Smith**. And the other five were willing to go along with whatever——

Mr. **Mendez**. That is correct. As I stated here last year, I had some negotiations to carry forward in an attempt to bring a budget through.

DELETION OF LANGUAGE ON REPROGRAMMINGS

Mr. **Smith**. Now you are proposing to delete the language provision subjecting the promulgation of regulations to reprogramming, that we have in this committee. Why do you make that request?

Mr. **Mendez**. Pardon?

Mr. **Smith**. Why do you make that request? You are proposing to delete the language provision in the bill that subjects the promulgation of regulations to reprogramming procedures.

Mr. **Mendez**. The reprogramming notice was established in 1984. That was during the time when there was no confirmed Board, and we believe that we have demonstrated to this committee, and to the Congress, in the past year, our commitment to the delivery of legal services to poor persons, and that is one of the main reasons. We believe that we have a track record here for you to look at.

STATUS OF AUTHORIZATION

Mr. **Smith**. Okay. Now we have become—not to our liking, but it is a fact of life—we have become in the last several years both the authorizing and the appropriations committee.

Mr. **Mendez**. That is correct.

Mr. **Smith**. What is the status of your authorization legislation?

Mr. **Mendez**. We have not had authorization since 1980. There have been several attempts, but it has not gone forward, and we do not know what will happen this year.

Mr. **Smith**. Let's see. That authorizing bill in the House is out of committee, is it not?

Mr. **Mendez**. It is out of the Judiciary Committee, yes.

Mr. **Smith**. What about the Senate?

Mr. **Mendez**. Nothing is introduced in the Senate.

MEDIATION AND ALTERNATIVE DISPUTE RESOLUTION

Mr. **Smith**. Now, you mentioned mediation and alternative dispute resolution. There has been a lot of talk about this, of course, and not only in regard to legal services for the poor, but with regard to attempts to alleviate the load on courts in civil cases. Would this require a special kind of attorney to do this? Are there people that are trained in this?

Mr. **Mendez**. We have heard a variety of testimony, and we are getting more testimony, and more presentations to our group. There was approximately $11.4 million spent last year, throughout the country, and again, the dissent points out some of the alternative mediations and approximately 400,000 cases were resolved this way.

I should advise you, that for the last four years, I sat on the Justice Information Center in Denver, and we had no attorneys. We provided interpreters in court and mediation devised essentially for Spanish-speaking individuals in Denver, and we consciously did not have attorneys in there because we wanted to avoid all ramifications of the legal issue. The statistics that we have show that when you have lawyers involved, costs go up, and that in the mediated cases, that you are mediating cases and settling out cases at a much lower expense.

So the answer is that we may well have a variety of attorneys and non attorneys doing this. One of the things we should point out is that even though our budget has increased over the last several years, the number of attorneys has decreased virtually each year by some small amount, and there has been a substantial drop each year in the number of paralegals that we are using. And we would hope to encourage the various grantees to make better use of the paralegals because they——

Mr. SMITH. Does it take special training, whether they are an attorney or a paralegal? Does it take special training to be a mediator, or not?

Mr. MENDEZ. Depending on what you are mediating, yes. For instance, in this Justice Information Center that we have, we train them in various areas, but we could usually do the training, in house, within a couple of weeks. We also run a variety of tests to make sure that they are competent.

Mr. SMITH. Well, if you train somebody in two weeks, what kind of a background do they need before you start training them?

Mr. MENDEZ. We try to hire college graduates, but it depends on the issue you are looking at. With housing disputes, you can usually do that. If you cannot resolve it through mediation, it is always available for the attorneys to go to court and do all of the secondary aspects, domestic resolution of disputes, that type of thing.

Mr. SMITH. It always used to be amazing to me, how the insurance companies on both sides, that they could mediate it and they would get together, but——

Mr. MENDEZ. I am a Plaintiff's lawyer, and I understand the mediation aspect, and I do a considerable amount of arbitration and mediation myself, and I think it is a very realistic alternative.

We have heard some disturbing things. In fact we had a meeting this last week, where some of the growers and some of the Legal Services lawyers had never attempted to negotiate or mediate anything, and they filed these law suits right out of hand apparently, and, based on my urging, they are going to set up a mediation panel to see if they can work out these activities prior to filing these law suits because they are expensive for them.

PROGRAM DEVELOPMENT

Mr. SMITH. You have what is called program development?

Mr. MENDEZ. That is correct.

Mr. SMITH. How did that get started? Where did that come from?

Mr. **Mendez**. That was in place before I came on board. I will ask the staff to trace it for you, but I will tell you what we have used it for.

Mr. **Smith**. Yes, okay.

[The following information was submitted:]

Office of Field Services
PROGRAM DEVELOPMENT AND SUBSTANTIVE SUPPORT UNIT
An Overview of History and Function

HISTORY

The Legal Services Corporation (LSC) has continually placed an emphasis on 1) the study of effective and efficient delivery service models; 2) the provision of substantive support to its field programs; and 3) the development of programmatic initiatives. In the early days of the Corporation, these activities were originally directed by the Research Institute and the Office of Program Support. These efforts continued to be exemplified by the Delivery Systems Study which was published in 1980 by the Delivery Research Unit within the Office of Field Services (OFS). In June of 1983, LSC re-emphasized the necessity for continuing these activities with the creation of a separate and distinct Office of Program Development (OPD). OPD was charged with exploring, among other projects, new directions for the private bar. OPD expanded investigation of experimental methods of delivery and later was merged into OFS in October, 1984, as the Program Development Unit (PDU). PDU was enlarged in February, 1985, through its merger with the OFS Substantive Research and Support Unit to become the Program Development and Substantive Support Unit (PDSS) within OFS. The Substantive Research and Support Unit had been the successor to the Office of Program Support. Since that time, PDSS has continued its historical mandate to develop innovative ideas concerning service delivery and substantive support.

FUNCTIONS

Model Development

Model development is the primary functional mission of this unit. Testing and development of effective and efficient delivery mechanisms was initiated in 1983. Three basic models are in some state of development/operation. The Private Law Firm Project (PLFP) is predicated on high-volume, competitively bid contracts. The Law School Civil Clinical Project (LSCCP) is based on providing exposure and sensitization of young lawyers, thereby enhancing future recruitment and pro bono, as well as presently providing case service to the poor. The Voucher Project is designed to test a consumer choice economic model in conjunction with the PLFP and staff attorney models. The largest voucher project underway is a joint effort of LSC and the American Bar Association (ABA). Pre-paid delivery models are also under consideration for development.

Bar Involvement

Grants and contracts with various bar groups and independent legal aid associations are funded to pursue development of model programs and innovative ideas. For example, a recent grant to the Legal Aid Society of Salt Lake (not otherwise funded by LSC) was made to test the ability of a local organization to replicate the PLFP model. A second example is a grant to the Charleston Bar for a project attacking child abuse through local agency coordination and reduced fee efforts from the private bar. Bar grants are used to enhance involvement by the private bar and as an additional means of testing new models of service delivery.

Private Attorney Involvement (PAI)

PDSS recently established a position for a PAI Coordinator to facilitate examination on a regular basis of LSC programs' compliance with the PAI regulation. A positive campaign of identifying and recognizing significant performance, coordination of PAI activities with the ABA, and the provision of technical assistance to those programs experiencing difficulties will be the primary function. The PAI Coordinator can assist in investigating noncompliance and waiver requests, providing technical assistance and delivery models developed by PDSS to address these problems.

National and State Support

The National and State Support Coordinator is responsible for coordination of LSC liaison with 17 national support centers and maintains records of state support center monitoring conducted by Regional Offices and various state support activities. The issues of funding, use levels, and possible user fees is currently being explored and PDSS staff will provide analytical support to that discussion. The coordinator is also a support base for information and briefings for the Monitoring Division. In 1986, user request and provider response data is being collected to ascertain the types of services (and associated costs) these centers afford programs and private attorneys.

Training

The National Training Coordinator works with the six Regional Training Center grantees to provide a variety of training support activities. Development of cost-effective and efficient technology utilization and a new plan for managing training based on the recent reorganization of the Regional Offices and providing for an improved monitoring effort are in progress. Finally, in 1986, a training task force is being assembled at Board direction.

Special Access Programs

A Special Access Coordinator for the Elderly, Disabled and Institutionalized conducted a solicitation program in FY 1985 for $2 million in funds which the Congress appropriated towards the legal needs of the elderly. More law school clinics and several *pro bono* and materials development projects were funded by LSC *with those* funds. This coordinator has also served to help establish interim and new providers where appropriate; currently this person is on detail to the Pacific Regional Office on such an assignment.

Special Projects

PDSS staff has been called upon to provide special Board reports, qualitative and quantitative analysis, and "action" memoranda for topical projects and special problems faced by the Corporation. At this time, the Case Service Report (CSR) system is being reviewed, with input from an advisory panel of field programs, to work towards improvement of data collection. This project is being coordinated by PDSS. The LSC Board indicated approval of this initiative in September, 1985, with $900,000 in supporting funds.

PDSS staff must also address evaluation of existing projects and development of these and other projects in sites throughout the country. All of the original model projects were planned with extensive collection of case report and client satisfaction data. This data, along with proposal, bid, and cost/budget data should enable comprehensive evaluation to occur, given staff/consultant time to organize this information.

OBJECTIVES

1) To fulfill each of its functional missions described above (with a more detailed plan for each of these missions approved by appropriate authorities at the Corporation).

2) To implement, adjust, and operate these missions according to a plan for categorizing and prioritizing the expenditure of the Program Development line item.

3) To plan for timely development of projects and expenditure of funds.

4) To provide support to other divisions and units, providing project information/data and technical expertise and analysis.

Mr. MENDEZ. We have used it for creating new programs such as Judicare, the voucher project, which we are doing in various parts of the country, and the IOLTA project. With the IOLTA project, our $700,000, is returning this year $40 million.

We have used that for promoting new ideas and new projects, and that is where a substantial portion of our creative ideas, and new alternatives are developed. That is where we develop them. That is what we use that money for.

Mr. SMITH. I do not want to deny you any credit on IOLTA, but I do think I should point out for the record here, that after Legal Services got started, bar associations became more aware of the fact that the lawyers had not been taking care of the poor people with *pro bono* services. It reached the point where the ABA decided "this is something we are responsible for and we ought to do something about it." Then, when they started looking for money, they could not find money any other way, and somebody came up with this idea. So I am not sure who started the idea of IOLTA, but bar associations have done a good job, I think, in this particular regard, of trying to find some way to get some money to help.

But I think that the bar people that I have talked to, none of them would say that IOLTA is ever going to be a substitute for a complete legal services program.

Mr. MENDEZ. I do not disagree with that. I would also point out to the Chairman, that we have created the private attorney involvement, and are requiring 12 and a half percent of the funds for each grantee to go to increasing the private attorneys and *pro bono* type activities, and that is a substantial portion of the budget.

If you take the 12 and a half percent, you have a fair total going to bringing in, private attorneys in to——

VOUCHER PROJECT

Mr. SMITH. Tell us about the voucher project. How is it coming?

Mr. MENDEZ. Presently, we have two voucher projects. One is in San Antonio and one is in Orange County, California, and if you want to have certain specifics—I do not know what you wish to have.

Mr. SMITH. Well, just give us a summary of how it is working or what you are finding out.

Mr. MENDEZ. We believe that it is doing well, and we can generate the specifics for you, the specific data. Of course under the voucher projects, the client has the alternative of which lawyer he wishes to go to, and we believe that is a reasonable use and a reasonable alternative, and we are exploring that. We want to see how well it——.

Mr. SMITH. Do you think it is proving to be as efficient, or as cheap a way to get the services as the field programs?

Mr. MENDEZ. Because it is just under way, I do not have that data at hand, and I would like to reserve the answer to that until we get the final results in.

Mr. WENTZEL. Mr. Chairman, if I might, if you do not mind.

Mr. SMITH. Please.

Mr. WENTZEL. I think it is too early, at this point, to make a characterization on that. We do believe that it is going well, but it would be premature right now to say either way. We just have not been into it long enough to be able to evaluate it.

[The following information was subsequently submitted:]

Due to the recent implementation of the voucher project in San Antonio, there exists no conclusive preliminary data regarding this project. Thus it would be premature at this time to draw any conclusions or provide any interim report given the lack of data on workability, performance and service.

As suggested by LSC Client Board member, Lorain Miller, vouchers provide dignity, choice and freedom in the legal market. With the encouragement and support of the client community as well as the ABA, the voucher project shows great potential for efficient and quality delivery of legal services. The next voucher project is being implemented in Orange County, California.

The following overview of the structure of the voucher project is enclosed for your consideration.

Voucher Project Overview

The Voucher Project represents a method of legal services delivery which has potential for quality delivery of cost effective legal services. LSC, together with the American Bar Association, believes the model is worthy of further study, as well as experimental implementation. The project, in addition to its potential to provide high quality legal services in a cost effective manner, contains several unique characteristics. A brief summary of these characteristics can help to focus on the most positive aspects of the project.

First, the Voucher Project may be feasible even in low population areas. This factor is especially important since there are many poor persons situated in areas which are large geographically, but contain low populations, and hence, are not concentrated enough to support a staff attorney program. Nor are large segments of such populations close enough to an existing staff attorney program to have reasonable and convenient access.

Second, the Voucher Project is designed to minimize paperwork and provide prompt payment for services rendered. After the initial arrangement for selection of a project site is completed and implementation plans are finalized, the only processing papers will be the vouchers themselves. Voucher forms will be carbonized to facilitate record-keeping and collection of CSR data. Upon completion of a case, the completed voucher form containing CSR data may be redeemed through the local bar association for prompt payment.

Third, the Voucher Project allows each client to select the attorney of choice from a list of participating attorneys. This exercise of choice would certainly be deemed important from the client's viewpoint, particularly as choice may be influenced by factors such as office location, reputation, or immediate availability.

Fourth, the Voucher Project, unlike some existing methods of delivery, will involve a broad base of attorneys in each project site. Since attorneys can limit their involvement relative to current demands on their time, more attorneys may become involved. For example, the typical contract awarded under another model, the Private Law Firm Project (PLFP), is for a minimum of fifty to one hundred cases. This necessarily limits participation to those attorneys/firms capable of handling an additional caseload of this size. As a high-volume contract model, the PLFP limits participants to only a handful of local bar association members. By allowing an attorney to limit his participation, and using a voucher mechanism rather than a high-volume contract, the Voucher Project enlarges the scope of private attorney involvement in providing civil legal services to poor individuals. And, as in other private sector methods of legal services delivery, LSC believes that exposure to the legal needs of poor individuals will induce participating attorneys to provide services through other reduced fee or pro bono projects. The broad base feature of the Voucher Project will expose a larger number of attorneys to these needs.

A coordinated test of the Voucher model was initially discussed between LSC's Office of Program Development and the American Bar Association in September of 1983. These discussions led to a proposal by Professor Steve Cox, consultant to the ABA's Special Committee on the Delivery of Legal Services, to study the cost and quality effectiveness jointly of the Voucher model, the Staff Attorney model, and the Contract model of LSC's Private Law Firm Project. The purpose of the research project is to evaluate vouchers as a mechanism for delivery of legal services to poor individuals. Included in this consideration are: 1) workability of the delivery model; 2) quality of services rendered; 3) cost effectiveness of the delivery model; 4) determination of what project sites are best suited for the model (focusing on variables such as participation by the local bar association, interest by private attorneys, and client satisfaction with service rendered); 5) determination of what case types are best handled by the model; 6) comparison with existing methods of legal services delivery and with other models being examined by LSC; and 7) other potential benefits or difficulties resulting from administration of the project.

The initial test as discussed between LSC and the ABA will be a joint project in San Antonio, Texas, in conjunction with the Bexar County Legal Aid Society and the San Antonio Bar Association. Using a common client intake center, clients with a legal problem subject to similar legal resolution will be alternately referred to voucher model attorneys, staff model attorneys, and PLFP contract attorneys. Client service under these models will then be evaluated as described above.

Project costs, including the cost of vouchers and private law firm contracts in San Antonio, are estimated to be $267,500. In FY 1985, LSC plans to extend the project to one or two additional sites per the research design developed with the ABA.

Mr. SMITH. How do they figure, on these two projects, how do they figure the amount of money that the lawyer is entitled to? Is it by the hour, or, how?

Mr. MENDEZ. Mr. Chairman, there are a variety of alternatives and I do not have that data in front of me, and I have not specifically examined, to that detail, these projects. And I would like to be able to tender that information to you.

[The following information was submitted:]

CALCULATION OF AMOUNT OF MONEY LAWYERS RECEIVE UNDER LSC'S VOUCHER PROJECT

Voucher projects calculate payment to attorneys on a competitive bid, fixed price-per-case basis. Partial payment, or fractionalization, is determined in partial service cases and is defined in each contract on an individual case-by-case basis.

RESOURCE MATERIALS

Mr. SMITH. Okay. Now how are we coming on getting some better materials for use of both private attorneys and Legal Services attorneys?

Mr. MENDEZ. I am sorry?

Mr. SMITH. Resources materials to use in delivering the services.

Mr. MENDEZ. We have, as you are acquainted with, the support systems, and we are currently evaluating that, and we, as you are also acquainted with, have two grants, one to Loyola, and another to Drake, and these law schools have made a commitment toward training.

Mr. SMITH. But going behind that, we have the $2 million, you know, for a two-year program.

Mr. MENDEZ. That is correct.

Mr. SMITH. How is that going?

Mr. MENDEZ. The Elder Law Project is just wrapping up this year, and we used that program as part of our kickoff for the law school projects, and based on the preliminary results we had out of the other law program, we made supplemental grants to law schools. We have decided, in fact, because of the results there, to annualize those.

We think it was a great success.

Mr. SMITH. Well, now, I think 105 applied, and how many were awarded?

Mr. MENDEZ. Twenty-one under Elder Law, and we have thirty-three——

Mr. SMITH. So 21 were awarded, and 105 wanted in it. Now are we going to annualize the 21, and leave all the others out?

Mr. MENDEZ. No. All right. We are annualizing the commitment. Every year they have to bid.

Mr. SMITH. I see.

Mr. MENDEZ. That is the one thing that we are not doing on anything under this group.

Mr. SMITH. Yes.

Mr. MENDEZ. We are not annualizing anybody for any activity because we think that everybody ought to have to bid every year, and that is one of the requests that we would have for you, to allow us to request every board and every grantee, to bid every year.

Mr. **Smith**. Well, now, we are in the second year of that program, it was a two-year program, and we said at the time that it is not necessarily going to be a permanent program. We wanted it to be completed. We want reports to be made and a chance to evaluate the reports, and determine, at that point, I suppose, whether we need to extend it, or maybe just use the material we get from it. Are we in a position yet, to know what we want to do?

[See page 196 for a copy of the "Interim One Year Report" on the project.]

Mr. **Mendez**. Most of them are completed just fairly recently. In fact some might still be ongoing. Some of them, are still ongoing, and I would suppose that within six months we will have everything finished, and wrapped up in a summary report which we will tender to you at that time.

IMPACT OF SEQUESTRATION

Mr. **Smith**. Now suppose there is another sequestration, and if you were to be receiving—you have asked for $305 million, but if you, first of all, suppose you receive the amount of money in 1987 that you got after sequestration in 1986, and then secondly, suppose there were another sequestration of approximately the same amount during 1987. How would you handle these two things?

Mr. **Mendez**. The first sequestration, we may not need to move monies around, this time, in March. The second one, we would virtually have to be able to terminate some programs, and some aspects of our delivery.

And I have made no secret with the programs. I have told them that if we have another sequestration in the neighborhood of $15 to $50 million, depending on the numbers, that we would—I would—be requesting the Board to terminate the national and State support, plus all of the other support type activities. And that would free up approximately $17.5 million.

Mr. **Smith**. I see. National and State support is $17.5 million?

Mr. **Mendez**. Well, national and state, computer assisted legal research, and the regional training centers, all of those, but the vast majority of that, about $15.5 million, is national and State support.

The remaining portion is the computer-assisted legal research, and the regional training centers.

APPROPRIATION RIDERS

Mr. **Smith**. There were some limitations, not a great many, that were written into the appropriations bill. There were some changes, compared to the year before. Have they given you any difficulty, or do you have any comments to make about it?

Mr. **Mendez**. None that I am aware of, Mr. Chairman.

Mr. **Smith**. OK. I guess that is all. Oh, Mr. Rogers. I did not see you sitting there.

SUPPORT CENTERS

Mr. **Rogers**. Thank you, Mr. Chairman. How many support centers do you currently fund?

Mr. **Mendez**. As I was stating previously, we have national, State, computer-assisted legal research and the regional training centers.

Out of those there are 17 national support centers, 67 State support centers in 43 States. Seven States have no State support centers.

There are five computer-assisted legal research groups and five regional training centers.

Mr. **Rogers**. And what is the total amount of money going into those programs?

Mr. **Mendez**. Approximately $17.5 million.

Mr. **Rogers**. And what is the function of those centers? Do they actually serve poor clients?

Mr. **Mendez**. By and large, no. They provide assistance to the grantees. I am in private practice, and I assume that you were in private practice before. We did our homework ourselves.

The grantees use these to do a lot of their homework. In terms of the most valuable bang for the buck, it would be my submission to you and to this Committee that the direct service to poor people is the best place for this money to go.

Mr. **Rogers**. You could spend that same amount of money on actual delivery of a lawyer working with a poor person and I guarantee you would get many more bangs for the same buck.

Mr. **Mendez**. No question about it, as well as what we were speaking about previously: mediation. If we could spend that money on mediation and alternative dispute resolution, we would have a big bang for our buck.

Mr. **Rogers**. I recently received a copy of a memo sent out to your grantees by an organization called the Center on Social Welfare Policy and Law. They receive about $700,000, I understand, per year from LSC.

Let me read you two sentences from that memo: "This memorandum summarizes the pending AFDC and SSI amendments, and also provides a brief explanation of the effect of Gramm-Rudman-Hollings on consideration of AFDC and SSI cuts in the budget process. The Center is available to provide further assistance with regard to these matters, including representation of eligible clients who are in need of a legislative remedy to help solve a problem."

That sounds just a little bit to me like solicitation of clients for lobbying, which I thought we did away with in last year's appropriations bill.

Now, do you agree with that? How would you characterize that language? And are there any other examples of that kind of activity?

Mr. **Mendez**. At the very least, I would call that propaganda; that is very close to lobbying. There are a lot of the national support centers that send out materials similar to that.

Many of the national support centers have, in fact, characterized Gramm-Rudman as a deep freeze and various other remarks.

Mr. **Rogers**. Well, let me interrupt you. I disagree with you. That is more than just propaganda to me.

When the agency that we fund says "The Center is available to provide further assistance with regard to these matters, including representation of [those] who are in need of a legislative remedy . . ."

Now, what is a legislative remedy and what can you do to help in the legislative remedy besides lobby?

Mr. MENDEZ. I agree with you. Upon rehearing that, I agree. I think that is a travesty.

I would ask Mr. Wentzel if he would look into this activity. We will see what we can do about that.

Mr. ROGERS. Will you get some word back to us on what you have done about this? I think that is absolutely lobbying in direct contradiction to the bill we passed last year.

Mr. Chairman, I thought we've already prohibited, and here we go again, the same old thing.

What is the Center on Social Welfare Policy and Law? Who are they and what do they do? Who mans it? Where are they?

[The following information was subsequently submitted:]

CENTER ON SOCIAL WELFARE POLICY AND LAW

95 Madison Avenue
New York, NY 10016
(212) 679-3709

1029 Vermont Ave., N.W.
Washington, DC 20005
(202) 347-5615

The Center on Social Welfare Policy and Law, a legal services national support center, is the only national law office that deals exclusively with the needs-related cash assistance programs: the federally supported Aid to Families with Dependent Children (AFDC) program that aids approximately 11 million needy children and their caretaker relatives; the federally administered and mainly federally funded Supplemental Security Income (SSI) program that aids 4 million aged and disabled adults and disabled children; and the state and local General Assistance programs. Since its founding in 1965, the Center, working together with local legal services programs, has played a major role in litigation that has established significant rights for welfare recipients. The Center's major activities include direct representation of eligible clients as counsel and co-counsel, legal assistance to those representing eligible clients, and distribution of written materials to legal services staff and poor people's organizations.

I. AVAILABLE RESOURCES

Generally, the Center's services are available, within the limits of its resources, to legal services advocates, members of the private bar who are representing eligible clients on welfare matters, and poor people's organizations. The Center provides the services described below in a manner consistent with applicable limitations governing legal services programs.

Litigation. The Center is available to represent clients in cases raising major issues of welfare law within its priorities. We welcome inquiries about the possibility of participating in litigation. The Center's participation may be as co-counsel, counsel, of counsel, or, in limited cases, ''on the brief.'' Most of the Center's involvement in litigation over the years has been as co-counsel with local legal services programs. The Center's role as co-counsel varies according to the decision of both the Center and the local program as to what is best under the circumstances of a particular case. For example, the Center might prepare parts or all of significant briefs or might assume principal responsibility for a case. When the Center appears as sole counsel, the case is usually one in which the client is a welfare recipient organization and the defendant is the federal government. In cases where the Center provides significant assistance but does not assume ongoing responsibility for a case, we may appear as ''of counsel.'' In cases where the Center's role is limited to a minor issue, we may appear ''on the brief.'' The Center generally does not appear as amicus in a case. In rare cases, it may file an amicus brief on behalf of a client.

As part of its ongoing service work, the Center also provides legal assistance in a large number of cases in which it has no formal role. The Center attempts to give a helpful response to each request, but the extent of assistance depends on our resources and is necessarily more limited than the assistance given when we are counsel.

Service Requests. An important part of the Center's work is responding to requests from local legal services advocates and members of the private bar who represent eligible clients. The Center welcomes such requests and tries to give a prompt and useful answer to each. The extent of the response depends on whether the inquiry falls into one of the Center's priority areas and on the volume of pending work.

Work on Administrative and Legislative Matters. To the extent permitted by applicable law, the Center provides representation and assists those providing representation on major administrative matters concerning the development, interpretation, implementation and enforcement of federal welfare policy and engages in work on pending legislation.

Publications. The Center distributes written information and advice to legal services advocates, members of the private bar who represent eligible clients and poor people's organizations. The Center's publications include the following:

> *Library Bulletin*, including the quarterly and annual cumulative *Index and Summary of Cases Reported in the Library Bulletin*. The *Library Bulletin* describes recent publications and court decisions concerning public assistance received by the Center's library. It is available by subscription.
>
> *Reference and Statistical Sources in Legal Research in Public Assistance Programs*. Issued twice yearly. Single copies free; contact the Center for costs for bulk shipments. Also available from the Clearinghouse, No. 30,211.
>
> *Beyond the Myths: The Families Helped by the AFDC Program* (1983). Basic statistical information about families receiving AFDC and responses to popular misconceptions about AFDC. $1.75 each. Discounts for large orders; up to 10 free copies for welfare recipient organizations (request order form).
>
> Memoranda on AFDC, child support, SSI and other public assistance issues. A list of such memoranda is available from the Center. Single copies free; contact the Center for costs for bulk shipments.
>
> *Welfare Fraud: Possibilities for Advocacy by Legal Services Programs* (Feb. 1981). 162 pp. $5.00. Also available from the Clearinghouse, No. 31,486.
>
> *Veterans Pensions: Prospects for Advocacy by Legal Services Programs* (Sept. 1981). 140 pp. $5.00. Also available from the Clearinghouse, No. 31,685.
>
> The Center also writes articles on various issues of current importance in welfare for the *Clearinghouse Review*. Recent articles include *Joint Custody Arrangements and AFDC Eligibility*, 18 Clearinghouse Rev. 2 (May 1984); *Welfare*, 17 Clearinghouse Rev. 989 (Jan. 1983) (discussion of developments in welfare law during 1983); and *The Forgotten Program for Two-Parent Families: AFDC Based on Incapacity*, 18 Clearinghouse Rev. 354 (Aug.-Sept. 1984).

Training. The Center staff is available to participate in statewide, regional and national training sessions on welfare law for legal services advocates and members of poor people's organizations.

II. PRIORITY AREAS FOR CENTER WORK

The Center's priorities for work are developed in consultation with those who receive the Center's services: legal services advocates, members of the private bar representing eligible individuals and poor people's organizations. The Center's current work is concentrated on the following issues:

- Assumptions of income (including lump sum income)
- Child support enforcement program (including issues related to joint custody)
- Hearings (including delays)
- Incapacity
- Needs standards and benefit levels, including resource limits
- Procedures for determining eligibility, verifying eligibility (including monthly reporting), recovering overpayments and closing cases
- Retrospective budgeting
- Work programs and requirements

III. SERVICE REQUEST POLICY

When possible, requests, including requests for Center participation in litigation, should be made in writing and should be accompanied by a full explanation of the facts, any relevant documents and a report on the status of the requester's research on the issue. When time is short, requests may be made by telephone. All requests should be directed to the New York office. To avoid unnecessary duplication of effort in responses, we ask that the same request not be sent to both the Washington and New York offices.

Requests for Center participation in training or for information concerning publications should also be directed to the New York office.

IV. PROFESSIONAL STAFF

New York Office

Timothy Casey
Henry Freedman, Director
James W. Johnson
Sherry Leiwant
Mary R. Mannix

Washington Office

Adele M. Blong, Associate Director
Barbara Leyser

V. BOARD OF DIRECTORS

The Center's Board of Directors consists of lawyer and client representatives. All board members have a history of involvement in legal representation on welfare issues, either through service as attorneys in, or board members of, local legal services programs, or as members of poor people's organizations.

Attorney Members

Jean Cary, University of North Carolina Law School, Chapel Hill, NC
Lawrence Gardella, Alabama Legal Services, Montgomery, AL
Marilyn Kaplan, Orrick, Herrington & Sutcliffe, San Francisco, CA
Stephen Kass, Berle, Butzel, Kass & Case, New York, NY
William Kuntz, Shearman & Sterling, New York, NY
Yvonne Lewis, Community Legal Assistance Corp., Hempstead, NY
Carroll Lucht, University of Iowa College of Law, Iowa City, IA
Cynthia Mann, Rhode Island Legal Services, Providence, RI

Client Representatives

Regina DeMaris, Poor Peoples' Congress, Mason City, IA
Ruby Grace, New Jersey Welfare Rights Organization, Newark, NJ
Amy Parks, United Peoples Welfare Rights Organization, Fairmont, WV
Shirley Smith Peoples, Franklin County Welfare Rights Organization, Columbus, OH
Nezzie Willis, Chicago Welfare Rights Organization, Chicago, IL

Mr. **Mendez.** Mr. Rogers, when I came on this board one of the first things I asked was to see what these were. I have repeatedly asked the field programs to tell us which ones are the most necessary and which ones provide them the most necessary work.

They have repeatedly refused to provide us that information.

Mr. **Rogers.** Who?

Mr. **Mendez.** The field programs, basic field programs.

We would really like to eliminate those programs which are not giving direct field support. In my opinion, that is one of those programs that is not giving a great deal of support to the field.

Mr. **Rogers.** Why did they get $700,000 last year?

Mr. **Mendez.** They got $700,000 because we cannot terminate them.

Mr. **Rogers.** Why?

Mr. **Mendez.** Because Congress has told us to put the money back in and we have to do a reprogramming notice on all of this. We wanted to make a 10 percent cut in all the national support last year and the Conference Report said, don't do that.

Mr. **Rogers.** Mr. Chairman, in our appropriations bill, do we get down to the detail of allocating $700,000 to this Center?

Mr. **Smith.** What we got into, if I can go back a little bit, was that we did not have a confirmed board for two or three years, and nobody knew what an unconfirmed board was going to. We got to writing in limitations to keep them from changing in fear of not knowing what would happen.

Now, we have a confirmed board where there is a different attitude.

Mr. **Rogers.** Of course, we can do this later when we mark up; but I sure hope we can try to get away from such detailed controls.

Mr. **Smith.** Well, this year we have to hold every ball game that we can.

Mr. **Wentzel.** Mr. Chairman, if I might interject here, I think what happened last fall, last December, was that certain amounts were set aside for that category.

Mr. **Smith.** Yes.

Mr. **Wentzel.** I don't think we were told to spend specific amounts on each program, but that we were told to spend specific amounts in that support line item. I think that is correct.

So I think that is where we are now.

Mr. **Rogers.** If I heard you correctly, we are spending $17.5 million every year on these so-called support centers—I assume that this activity has to be typical of the so-called support centers that are doing this rather than spending that money on representing a poor person in an arbitration or a court proceeding, or whatever else it is that they need.

I have done a little figuring. If the average cost of representing a poor person's case is $182, which I think is a pretty accurate figure——

Mr. **Mendez.** That is correct.

Mr. **Rogers.** That $17.5 million would fund the representation of about another 100,000 poor people's cases. As tight as we are with money here in this year—we are borrowing every penny we can to finance Government programs—it looks to me like we direct the money where it is supposed to be and we want it to be; and that is representing poor people in real cases, not funding some research center somewhere that has some idea about social policy which is the Congress' business.

Mr. MENDEZ. I agree that we should not be funding these think tanks. Your number is exactly right.

What has happened in the past is when we have given them other moneys it has not gone to getting more attorneys, it has not gone to getting more paralegals: it has gone to increasing salaries.

In fact, in the last three or four years the salaries have gone up about 27 percent.

Now, I think that if we can direct this to go into the basic field and direct that this is not for salaries that is a really appropriate area for you to go into'

Mr. ROGERS. Are you able to get for me and for the Committee a list of these support centers, what they do, where they are, who they are, how much money we pay for their salaries, and what functions they provide for real cases?

Can you get me some material on that?

[The following information was subsequently submitted:]

DIRECTORY OF
THE NATIONAL
SUPPORT CENTERS

Photo by Carol [illegible]

NATIONAL SUPPORT CENTERS

Center for Law and Education
6 Appian Way, Gutman Library, 3rd Fl.
Cambridge, MA 02138
(617) 495-4666

236 Massachusetts Ave., NE
Washington, DC 20002
(202) 546-5300

Center on Social Welfare Policy and Law
95 Madison Ave., Room 701
New York, NY 10016
(212) 679-3709

1029 Vermont Ave., NW
Washington, DC 20005
(202) 347-5615
(Service calls should be directed to the New York office.)

Food Research and Action Center (FRAC)
1319 F St., NW, Suite 500
Washington, DC 20004
(202) 393-5060

Indian Law Support Center, Native American Rights Fund
1506 Broadway
Boulder, CO 80302
(303) 447-8760

1712 N St., NW
Washington, DC 20036
(202) 785-4166

Mental Health Law Project
2021 L St., NW, 8th Fl.
Washington, DC 20036
(202) 467-5730

Migrant Legal Action Program
2001 S St., NW, Rm. 310
Washington, DC 20009
(202) 462-7744

National Center for Immigrants' Rights
1550 W. Eighth St.
Los Angeles, CA 90017
(212) 487-2531

National Center on Women and Family Law
799 Broadway, Rm. 402
New York, NY 10003
(212) 674-8200

National Center for Youth Law
1663 Mission St., 5th Fl.
San Francisco, CA 94103
(415) 543-3307

National Consumer Law Center
11 Beacon St.
Boston, MA 02108
(617) 523-8010

236 Massachusetts Ave., NE
Washington, DC 20002
(202) 543-6060
(Service calls should be directed to the Boston office.)

National Economic Development and Law Center
1950 Addison St.
Berkeley, CA 94704
(415) 548-2600

National Employment Law Project
475 Riverside Dr., Suite 240
New York, NY 10115
(212) 870-2121

236 Massachusetts Ave., NE
Washington, DC 20002
(202) 544-2185
(For current legislation and regulatory matters only.)

National Health Law Program
2639 S. La Cienega Blvd.
Los Angeles, CA 90034
(213) 204-6010

1302 Eighteenth St., NW, Suite 701
Washington, DC 20036
(202) 887-5310

National Housing Law Project
1950 Addison St.
Berkeley, CA 94704
(415) 548-9400

509 C St., NE
Washington, DC 20002
(202) 542-4900
(Service calls should be directed to the Berkeley office.)

National Senior Citizens Law Center
1636 W. Eighth St., Suite 201
Los Angeles, CA 90017
(213) 388-1381

1302 Eighteenth St., NW, Suite 701
Washington, DC 20036
(202) 887-5280

National Social Science and Law Center
1825 Connecticut Ave., NW, Suite 401
Washington, DC 20009
(202) 797-1100

National Veterans Legal Services Project, Inc.
2001 S St., NW, Suite 702
Washington, DC 20009
(202) 686-2741

Michael Leonard, Executive Director
Lucy Moss, Staff Attorney & Managing Editor
Sharon Deta, Staff Attorney
Sandra Lee, Staff Attorney
Robert E. Serafin, CALR Project Director
Kathleen Bankhead, CALR Research Attorney
Katherine Stevenson, Librarian
M. Nazim Khan, Accountant
Carol Ann Edstrom, Production Editor
Michelle Nicolet, Copy Editor
Patricia Gordon, Secretary
Murtle Mae English, CALR Secretary
Virginia Vejar, Order Dep't Clerk
Nancy Carey, CALR Clerk
Debra Marks Davis, Order Dep't Clerk
Sylvia Lopez, Order Dep't Clerk
Robert Hernandez, Order Dep't Clerk
Zelda Barnett, Receptionist
Law Students: Vera Berzon, Sherry McFall
Marie Spicuzza, Jeannette Tamayo,
Maureen Yamashiro

Published by
National Clearinghouse for Legal Services, Inc.
407 South Dearborn, Suite 400
Chicago, Illinois 60605
(312) 939-3830

Board of Directors
Gregory R. Dellaire, Chairperson
Seattle, WA
James E. Caldwell, Vice-Chairperson
Chicago, IL
James D. Weill, Secretary-Treasurer
Washington, DC
Barry Hager, Winston-Salem, NC
Lillian Johnson, Phoenix, AZ
Rita McLennon, San Francisco, CA
George Munoz, Chicago, IL

The opinions expressed herein are those of the authors and should not be construed as representing the opinions or policy of the organizations by which they are employed or the National Clearinghouse for Legal Services, Inc. Annual subscription price for the *Clearinghouse Review*: free to attorneys and paralegals practicing in LSC-funded programs; $95 for subscriptions outside the continental United States; $75 to all others. Back issues are available at a cost of $6.00 per copy. Copyright © 1984 by National Clearinghouse for Legal Services, Inc. All rights reserved. ISSN 0009-868X

DIRECTORY OF THE NATIONAL SUPPORT CENTERS

TABLE OF CONTENTS

(arranged by primary topic of service)

Page

CONSUMER

National Consumer Law Center 1

ECONOMIC DEVELOPMENT

National Economic Development and Law Center 4

EDUCATION

Center for Law and Education 7

EMPLOYMENT

National Employment Law Project 11

FAMILY LAW

National Center on Women and Family Law 13

FOOD PROGRAMS

Food Research and Action Center 15

HEALTH

National Health Law Program 17

HOUSING

National Housing Law Project 20

IMMIGRANTS

National Center for Immigrants' Rights 24

JUVENILES

National Center for Youth Law 26

MENTAL HEALTH

Mental Health Law Project 28

MIGRANTS

Migrant Legal Action Program 31

NATIVE AMERICANS

Indian Law Support Center/Native American Rights Fund 33

SENIOR CITIZENS

National Senior Citizens Law Center 36

SOCIAL SCIENCE

National Social Science and Law Center 39

WELFARE

Center on Social Welfare Policy and Law 44

VETERANS

National Veterans Legal Services Project, Inc. 47

Services of the National Clearinghouse for Legal Services 49
Regional CALR Projects 53
How to Read *and* Use a Case Development 54

PREFACE

THE DELIVERY OF NATIONAL SUPPORT

The 17 national support centers presently funded by the Legal Services Corporation provide a variety of specialized services that promote quality representation of the poor on issues of substantial complexity. These services are described in detail in the Directory with respect to each center. The subject areas covered by the centers include the most important areas of legal services practice, as well as the special legal needs of certain client populations.

Center staffs have acquired an in-depth knowledge of the particular program areas in which they specialize, and are experienced in the interpretation of the myriad regulations, statutory provisions and judicial decisions applicable to the programs in the centers' areas of concern. They maintain extensive libraries containing materials necessary for effective representation in the centers' specialties that are not generally available to the field.

Professionals on staff are experienced in litigation, administrative agency and legislative procedures, which are often so complex that the general practitioner is precluded from presenting a client's cause effectively without assistance. Center litigation expertise is especially useful on matters of strategy or technique unique to the particular substantive law or client group in which the center specialiizes.

The Legal Services Corporation Act explicitly recognizes and declares the "need to provide high quality legal assistance to those who would be otherwise unable to afford adequate legal counsel." The Act charges the Corporation with the duty to ensure "that grants and contracts are made so as to provide the most economical and effective delivery of legal assistance." Since its beginning, national support has been one of many important means by which the Legal Services Corporation has sought to fulfill Congress's purpose to make high quality and economical legal assistance available to the poor.

CLEARINGHOUSE SERVICES

In addition to the services provided by the 17 national support centers, this directory summarizes the services provided by the National Clearinghouse for Legal Services. For over 18 years, the Clearinghouse has furnished legal information to assist legal services staff and others representing poor people.

ADDITIONAL COPIES OF THIS DIRECTORY

This directory has been mailed to each subscriber to the *Clearinghouse Review* in order to encourage each legal services attorney and paralegal to take full advantage of the services described. Copies may kept as a handy desk reference or placed in your library. Please direct the attention of new staff to this information.

We encourage further distribution of the directory to local boards of directors, and to others representing the poor, such as attorneys participating in private bar involvement programs.

A limited number of additional copies are available free of charge from the Clearinghouse. You may also photocopy all or portions of the directory for further distribution.

NATIONAL CONSUMER LAW CENTER

Eleven Beacon St.
Boston, MA 02108
(617) 523-8010

236 Massachusetts Ave, NE
Washington, DC 20002
(202) 543-6060

The National Consumer Law Center (NCLC) staff is available to provide a wide range of assistance to legal services advocates. Below is a list of some things the Center does. We hope that you will call upon us.

We work in both the consumer and energy areas. The subjects we cover run from repossessions, debt collection, truth in lending, usury and bankruptcy to utility terminations, fuel assistance benefit programs, utility rate structure, utility financing, and many things in between. A longer, though still incomplete, list is set out below.

I. AVAILABLE RESOURCES

Service Requests. NCLC tries to answer every inquiry promptly. We answer well over 1,500 inquiries a year. We welcome requests about individual and routine matters as well as requests on more complex issues.

Publications. Legal services offices should have our 10 consumer law practice manuals and supplements. Let us know if you do not have them. This year we are providing comprehensive supplements to most manuals. In addition, every legal services office receives 24 issues of *NCLC Reports* each year. Interested persons can receive *NCLC Energy Update* and specialized consumer mailings as well. We also write a monthly column for the *Clearinghouse Review.*

Training. NCLC provides training materials, trainers and planning assistance, in cooperation with local programs. Let us know if you need help with training.

Co-Counsel and Other Assistance. NCLC will provide legal representation and assistance, depending on the issue and case.

Washington Representation. NCLC will provide Washington representation, within the restrictions imposed by the Legal Services Corporation. This representation includes information gathering and representation before administrative agencies.

Expert Testimony and Analysis. NCLC can provide highly technical expertise in several utility and credit areas.

Specialized Materials. The Center maintains an extensive file of specialized consumer law materials and studies and subscribes to trade publications not widely available.

Special Projects. Depending upon available resources, the Center will consider requests for other projects as well.

We have been providing these services to legal services attorneys for 15 years and we are proud of our reputation. Nevertheless, we are eager to improve our work and availability and welcome any suggestions.

II. COMMON TOPICS OF SERVICE REQUEST ASSISTANCE

The Center provides assistance on a wide range of consumer and energy issues. Listed below are the topics with which we are most familiar.

Consumer Areas

- Attachments
- Attorneys' Fees
- Automobiles
  - Insurance
  - Odometer
  - Repossession
  - Unfair Practices
  - Used Cars
  - Warranties
- Bank Holding Companies
- Bankruptcy
- Banks, Banking Practices
- Class Actions
- Collection Agencies
- Credit Cards
- Credit Discrimination
- Credit Insurance
- Debt Collection
- Deceptive Trade Practices
- Deficiency Judgment
- Direct Deposit (Social Security and Other Benefits)
- Due Process
- Equal Credit Opportunity Act
- Electronic Funds Transfer
- Executions
- Exemptions
- Fair Credit Billing and Reporting
- Federal Trade Commission
- Finance Companies
- Garnishment
- Health and Hospital Collections
- Health Spas
- Holder in Due Course
- Homestead (Exemptions)
- Installment Contracts
- Insurance
  - Automobile
  - Credit Insurance
  - Industrial Insurance
  - Premium Financing
- Interest
- Leasing
- Mechanics' Liens
- Mobile Homes
- Rental of Consumer Goods
- Retail Installment Contracts
- Replevin
- Repossession
- Rescission
- Revolving Credit, Revolving Finance Charge
- Rule of 78's
- Small Claims Courts
- Small Loan Rates
- Security Interests
- Truth in Lending
- Unconscionability
- Unfair and Deceptive Acts and Practices
- Uniform Commercial Code
- Uniform Consumer Credit Code
- Used Cars
- Usury
- Vocational Schools
- Wage Assignments
- Waiver of Defenses
- Warranties

Energy and Utility Areas

- Advertising
- Alternative Power
- Conservation
- Construction Work in Progress
- Crisis Intervention
- Customer Service
- Energy Assistance Programs
- HUD Utility Issues
- Lifeline
- Rate Design
- Rate Increases
- Rate Structure
- Termination
- Weatherization

III. REQUESTS FOR ASSISTANCE WITH CONSUMER AND ENERGY LITIGATION, LEGISLATION AND ADMINISTRATIVE PROCEEDINGS

The highest priority of the National Consumer Law Center is to provide support to legal services field attorneys. The most common support service, and one to which we devote substantial resources, is answering inquiries about consumer and energy law and regulation. We answer hundreds of service requests in order to assist those representing low-income consumers; we also value these contacts because they are an important source of information about client problems and recent developments in the law, which helps to shape our own work program.

We encourage legal services attorneys to contact us about their consumer questions. We welcome inquiries about individual and routine cases as well as cases having a broader impact.

Legal services attorneys may contact the Center's main office in Boston at any time during normal business hours. We will reply as promptly as we can. Our response will be direct and specific.

The Center's experience indicates that the most fruitful service requests reflect the following five considerations.

1. ***Written requests are better than telephone requests.*** Written requests are more likely to be handled by the most appropriate person at the Center and are less likely to be misunderstood. However, we do respond to telephone requests and are happy to do so when attorneys face tight time deadlines.

2. ***Supporting documents should be enclosed.*** In consumer cases, if there is a contract, a copy of it should usually be sent. Appropriate additional documentation varies with the circumstances, but often includes security agreements, credit or other insurance contracts or certificates, creditor ledger sheets, a payment history, dunning letters, the complaint and answer, and discovery material.

3. ***The scope of the inquiry should be clear.*** If the issue is carefully defined, our response is likely to be more precise and more helpful.

4. ***Your analysis and research should be explained as part of the request.*** This helps Center personnel determine what response is appropriate. In addition, your ideas and analysis often suggest new approaches that can be shared with others.

5. ***Deadlines should be stated when you make the request.*** The Center will make an honest attempt to respond before any deadline. On the other hand, if no emergency deadline is indicated, the request can be handled in more considered fashion.

Repetitive, blanket requests for analyses of credit contracts, general requests from law students with no local supervision, and requests concerning local procedure and practice are difficult for us to answer. However, our primary concern is to help provide excellent representation for legal services clients.

IV. STAFF

Steven Ferrey
Howard Fox
Charles Hill
Robert Hobbs
Mark Leymaster
Willard Ogburn
Margaret Rigg
Robert Sable, Executive Director
Ernest Sarason
Jonathan Sheldon
George Sterzinger
Carol Werner

NATIONAL ECONOMIC DEVELOPMENT AND LAW CENTER

1950 Addison Street
Suite 200
Berkeley, CA 94704
(415) 548-2600

The National Economic Development and Law Center provides assistance to legal services employees and private bar members who are working with client organizations engaged in some aspect of community and economic development. The Center receives funds from the Legal Services Corporation and the Ford Foundation as well as a number of smaller grants and contracts.

Community and economic development, as viewed by the Center, is a developmental strategy for the revitalization of poverty areas. It encompasses a wide range of economic activities and programs, all with a common underpinning: community revitalization for community benefits. It may start with a welfare rights group operating a Women, Infants and Children nutrition program; a tenants' organization securing Community Development Block Grant funds to undertake housing and rehabilitation; senior citizens developing cottage industry ventures; poor people forming and operating a credit union; farmworkers developing an agricultural co-op; or a tribe of Native Americans developing a shopping center. Community economic development favors total community upgrading rather than individual financial gain.

I. AVAILABLE RESOURCES

Service Requests. The Center tries to answer all initial requests for assistance. We encourage those with continuing economic development projects to check in with the Center periodically by phone. In some cases where the nature of the project warrants it and the Center's travel budget permits, Center staff will visit the local attorney on site to provide more detailed assistance.

Publications. The Center has always offered a diverse range of publications to meet clients' needs. Most recently, it published in looseleaf format *Counseling Organizations in Community Economic Development*. One copy is free to each legal services program with an active economic development project. In November 1984, the Center began publishing a bimonthly newsletter, the *CED Exchange*, which is available free to all legal services programs. The Center's other publications include the following.

Economic Development & Law Center Report. A bimonthly report on vital community economic development issues, including innovative funding strategies, nuts-and-bolts of business development and job creation, as well as in-depth policy analyses. Annual subscription $20.00, back issues $4.00 each.

A Lawyer's Manual on Community-Based Economic Development (1974). 828 pp. $30.00. A practical guide for those interested in stimulating economic development in low-income and depressed communities.

Community Economic Development Strategies: Creating Successful Businesses (1983). 375 pp. A step-by-step guide in three volumes to community economic development business planning and implementation for community-based organizations. Volume 1: Building the Base; Volume 2: Choosing the Business Opportunity; Volume 3: Developing the Business. Individual volumes, $10.00; three-volume set, $25.00.

Legal Issues in the Development of Housing Cooperatives (1981). 168 pp. $9.00. Guide to the legal issues involved in structuring, developing and operating housing cooperatives.

Neighborhood Assistance Programs: A Link between Business and Community (1982). 66 pp. $3.75. Analysis of state incentives used to increase business contributions to community development projects.

Community Development Block Grants: A Strategy for Neighborhood Groups (1978). 274 pp. $7.50. Comprehensively covers funding and use of block grants and UDAGs, monitoring of local expenditures, and development of community-based alternative proposals.

Community Development Credit Unions: A Self-Help Manual (1978). 306 pp. $7.50. Delineates the relationship between financial institutions and poverty communities and provides information on organizing and operating a successful community development credit union.

Organization Production Cooperatives: A Strategy for Community Economic Development (1978). 220 pp. $7.50. "How to" manual describes characteristics of production cooperatives and provides guidelines for organization, finance and management procedures.

Health Care for Children: Implementing the EPSDT Program—A Step-by-Step Guide for Community Organizations (rev. 1979). 190 pp. $7.50. Shows community organizations how to set up health screening centers to provide health care for Medicaid-eligible children.

Model Incorporation and Tax Exemption Application Documents. $3.75.

Community Economic Development. $3.75. General information packet.

Training. The Center has always devoted a significant portion of its resources to meeting local training needs. If you want anything from an introductory training session to one designed to move a specific economic development project to its next phase, call the Center for further information.

Co-Counsel and Other Litigation Assistance. Because of the heavy requests for assistance on service work and training, the Center does not co-counsel in litigation. In litigation in which providing resources to eligible client groups to carry out activities is appropriate, the Center is available to provide assistance in helping formulate proposed plans for relief.

Washington Representation. Although the Center does have a Washington office serving client groups on the East Coast, all representation of legal services clients is currently handled out of the Berkeley office.

Special Projects. Some of the most important ways Center staff have been able to assist local programs have been in carrying out special projects. Examples include planning the initiation of economic development efforts within a program, creating a special private bar involvement project or assisting with the implementation of specific economic development projects. Call the Center if you have any questions about how it can be of use.

II. TYPICAL REQUESTS FOR ASSISTANCE

The Center seeks to make itself available in whatever fashion best meets the needs of legal services programs and clients. The following are the most common topics of requests for assistance.

Organizational Structuring

Corporate Structuring/Documents
Tax
Securities
Funding
Board-Staff
Internal Policies/Funding
Source Requirements
Compensation/Fringe Benefits
Community Planning
Management Information System
Project Planning
Project Evaluation
General

Business (Venture) Development

Industrial Park
Shopping Center
Real Estate/Housing
Commercial Business
Social Services
Financial
Early and Periodic Screening, Diagnosis and Treatment Program
Long-Term Health Care
Marketing
Nursing Home
Venture Acquisition and Investment
Real Estate Syndication
General

Program Development

Community Development Block Grant/Urban Development Action Grant
Job Training Partnership Act
Small Business Administration
EDA
Farmers Home Administration
Community Development Credit Union
Co-ops (Nonhousing)
Resource Development
Co-op Bank
Mental Health
General

III. STAFF

David Kirkpatrick, Director: Housing; Worker, Housing and Consumer Cooperatives; Rural Economic Development Strategies; Farmers Home Administration Programs.

Irwin Borof: Corporate Law, Nonprofit Tax; Real Estate Development.

Brad Caftel: Nonprofit Corporate and Tax Issues; Community Development Credit Unions; Fringe Benefit Plans; Health Care Delivery Programs; Food and Nutrition Programs.

Mtangulizi Sanyika: Training; Community Economic Development Planning; Organizational Development and Planning; Marketing Studies and Feasibility Analyses; Alternative Funding Strategies; Job Training Partnership Act and Block Grant Programs; Job Creation Strategies.

Stephanie Smith: Law Center *Report* Editor; Enterprise Zones; Business Incubators; Public/Private Partnerships; Transfer Payment Reinvestment; Women and Community Economic Development.

Perry Stewart: Real Estate, Housing, Commercial and Corporate Law; Real Estate Syndications.

Jan Stokley: Real Estate Syndications; State and Local Government Funding Strategies; CDBG and UDAG funding.

Support Staff: Marsha Brown, Erin Lautenschlager, Payge Means, Ellen Sasaki.

CENTER FOR LAW AND EDUCATION

Gutman Library
6 Appian Way
Cambridge, MA 02138
(617) 495-4666

236 Massachusetts Ave., N.E.
Suite 504
Washington, DC 20002
(202) 546-5300

The Center for Law and Education, Inc. provides support services on education issues to advocates working on behalf of low-income students and parents. The Center is part of the nationwide network of support centers funded by the Legal Services Corporation to provide specialized assistance to legal services program staff members who represent LSC-eligible clients. Our resources are also available to private attorneys representing income-eligible clients.

I. AVAILABLE RESOURCES

Assistance is available from the Center on a wide variety of school-related matters. Priority subject areas have been identified by the Center's board of directors and are reviewed on an annual basis. Current priority areas are as follows (not listed in order of importance):

- Testing/ability grouping/tracking (including competency testing, disproportionate placement of black and other minority students in educable mentally retarded [EMR] classes, and related issues)
- Bilingual/bicultural education
- Discriminatory discipline/discriminatory grading/pushouts (including a range of school policies that adversely affect minority children)
- Special education/special needs/institutionalization
- Special needs of Native Americans, migrants and Hispanics
- Parent/community/student participation

These are the areas to which the Center may devote considerable resources. However, assistance is also available on other education issues.

Publications. Center publications are available free of charge to legal services programs and private attorneys representing income-eligible clients. Others may purchase copies. Please request a publications list, which contains complete details about each publication, prices and ordering information.

Periodicals. A copy of each issue is sent upon publication to each legal services program's main and branch offices. In addition, legal services staff members who specialize in education and private attorneys who provide free representation to LSC-eligible clients may request individual free subscriptions. Back issues of all periodicals are available.

Newsnotes is a newsletter about education advocacy, including noteworthy legal developments, reports on local advocacy efforts and useful resources. It is written for lawyers and nonlawyers. Local legal services programs are encouraged to provide the Center with the names of clients, including client board members, who should receive free subscriptions.

Education Law Bulletin summarizes federal and state judicial decisions, legislation, regulations, articles and reports. Materials are organized around an outline of over 100 substantive and procedural topics covering the bulk of education law developments.

D.C. Reports is an irregular bulletin published by the Center's Washington, D.C., office. It provides updates on federal programmatic and regulatory developments of concern to low-income people and their advocates. This publication is not mailed out automatically; please request a free subscription from the Washington, D.C., office.

Federal Developments in Indian Education is an irregular bulletin for members of the Indian Legal Services Education Task Force and others who represent income-eligible Native American clients. Request a free subscription from the Center's Washington, D.C., office.

Inequality in Education, the oldest of the Center's publications, has been discontinued. Much of the content of the most recent issues is still very useful to advocates. Topics include sex discrimination, bilingual/bicultural education, school discipline, migrant education, student records and corporal punishment. An index to back issues is available free.

Manuals.

Special Education: A Manual for Advocates (1982). Two volumes. An in-depth review of federal law relating to education of the handicapped covering educational evaluations, placement and programming, administrative hearings and appeals. Also contains descriptions of commonly used tests, suggestions for writing IEPs and discussions of significant issues such as discipline of handicapped students. Appendices include relevant federal statutes, regulations and policy interpretations, and summaries of many special education cases.

School Discipline and Student Rights: An Advocate's Manual (rev. ed. 1982). 560 pp. An extensive compilation and analysis of students' legal rights, including substantive and procedural rights, access to information, remedies, disciplinary alternatives and advocacy strategies.

Indian Education: Selected Federal Statutes and Regulations (May 1980). 397 pp. A compilation of most major statutory and regulatory provisions pertaining to educational entitlements of Indian children while attending public or BIA schools.

Bilingual-Bicultural Education Handbook (May 1977). 345 pp. Materials covering cases, pleadings, and educational and legal theories in bilingual/bicultural education. Applicable federal and state laws are included. (Currently out of print. Photocopies of selected sections available.)

Minimum Competency Testing: A Manual for Legal Services Programs (Aug. 1979). 389 pp. Includes an overview of competency tests and legal requirements, policy issues, legal challenges and advocacy strategies; an appendix of related readings and resources; and selected summaries of state testing laws and policies.

Student Classification Materials (rev. Sept. 1973). 392 pp. *Supplement* (June 1976). 117 pp. Contains pleadings, cases and commentary on the labeling and grouping of students, including the exclusion of "exceptional" children, exclusion of "normal" children (*e.g.*, for pregnancy or alienage), procedural safeguards, inadequate programs and tracking.

Other Publications.

What Works? An Examination of Effective Schools for Poor Black Children (Aug. 1981). 174 pp. A report on the Center's special project to identify characteristics that make schools effective for poor black children.

Effective Schools for Poor Children: A Parent Handbook (Dec. 1982). 25 pp. A concise handbook about the concept of quality education for all children. Summarizes research presented in *What Works?* (*see* above) in a question-and-answer format that is intended to help parents judge school quality and participate in making schools more effective.

Model Code of Student Rights and Responsibilities (Dec. 1975). 54 pp. Contains suggested provisions for local school regulations covering a wide range of student rights and responsibilities.

Minimum Competency Testing—Article Reprints. A packet of three articles: McClung, *Competency Testing: Potential for Discrimination*, 11 Clearinghouse Rev. 439 (Sept. 1977); McClung, *Are Competency Testing Programs Fair? Legal?*, Phi Delta Kappan, Feb. 1978; McClung & Pullin, *Competency Testing and Handicapped Students*, 11 Clearinghouse Rev. 922 (Mar. 1978).

Los Padres Y La Educacion Bilingue (Parents and Bilingual Education). A slide-tape presentation about parent involvement in bilingual education programs. Describes the activities of a Hispanic parent group in Worchester, Massachusetts. Parents discuss the reasons why they feel bilingual education is important, the problems they encounter and the roles and functions of parent advisory councils. Audio in Spanish only; illustrated scripts available in both English and Spanish. May be borrowed for local showings.

Training. Center staff members are available to participate in training sessions at the request of individual local legal services programs, groups of programs in one state statewide programs or programs that are near to one another in neighboring states. The Center works jointly with field programs to plan topics, format and material. Training may cover any area(s) of education law.

The Center strongly encourages the participation of local personnel, including clients, as trainers. It is the policy of the Center's board of directors that, in order for staff to participate in training events, there must be an effort to achieve 50 percent client (student and parent) representation among trainees. This is to ensure that the training focuses on issues of genuine concern to clients and on remedies that are consistent with clients' needs.

Center staff members are also available to work on training events in conjunction with community organizations or groups of income-eligible clients, and private bar involvement projects.

Litigation. When other approaches to remedying client grievances have failed, litigation may be necessary. Over the years, the Center has taken part in several landmark lawsuits to enforce the United States Constitution, federal laws, and the laws and constitutions of the states. Center staff have participated as counsel in cases involving the fairness of state competency testing programs, the right of limited-English-proficient pupils to understandable instruction, racial discrimination and discrimination in student rights and school discipline, the rights of handicapped pupils, and the provision of high school programs to students in rural areas of Alaska. In most instances, Center staff members work as co-counsel with attorneys from local legal services programs or with private practitioners representing income-eligible clients.

The Center attempts to provide help in response to all requests for assistance from advocates representing income-eligible clients, but it has the resources to participate as co-counsel in only a limited number of cases. Factors considered in determining whether to enter a case as co-counsel are the source and scope of the request; the Center's current work load, including involvement in similar cases; the potential impact of the case in terms of the number of clients affected; the importance and/or novelty of the issues presented and the likelihood of recurrence of the problem; whether the Center might provide adequate assistance by providing materials and/or consulting; commitments of time and resources from local counsel; the extent of contacts made by the local counsel with the client community; and client community support for and involvement in the case.

Federal Program Advocacy. The Center disseminates information on current federal regulatory and legislative developments in education that affect clients. The Center also represents clients in Washington, D.C., concerning federal education programs that directly affect identified clients' interests. Requests for assistance or information on federal program matters should be addressed to the Center's Washington, D.C., office.

Assisting Parent and Student Involvement in Education. The Center seeks, wherever feasible, to assist clients and advocates to resolve problems through channels that do not depend on costly and time-consuming litigation. For example, the Center encourages the development of local lay advocacy resources and the effective involvement of parents in school advisory councils. The Center also tries, in cases in which it is involved, to safeguard the role of parents and students in controlling their education. Emphasis on parent and student involvement is a major reason for the Center's policy that clients participate in all training events. It is also a major focus of *Newsnotes*, the Center's newsletter, which is circulated to clients as well as to legal services staff members.

Mediation. The Center is conducting a special project to explore the use of mediation in resolving school-related disputes. Our goal is to provide information and make recommendations upon which legal services programs, school officials, existing community mediation programs, parents, students and other interested parties can base decisions about when and how mediation can best be used as a mechanism for school conflict resolution.

We are analyzing the conditions under which mediation may be useful or appropriate; the special issues presented by the use of mediation of conflicts involving constitutional rights, state statutes and local school board policies; the appropriate relationship between legal services organizations and the mediation of school disputes; and other issues.

II. TOPICS OF SERVICE REQUEST ASSISTANCE

- Ability Grouping
- Accountability/"Educational Malpractice"
- Affirmative Action
- Alternative Schools/Home Education
- Bilingual/Bicultural Education
- Chapter 1 Programs (Compensatory Education)
- Classroom Segregation
- Closing of School or School System
- Compulsory Attendance/Truancy
- Contracts (Between Students and Schools)
- Corporal Punishment
- Curriculum/Textbooks
  - Discriminatory Content
  - Authority to Select
- Disciplinary Actions
  - School Suspension
  - Expulsion
  - Grade Reduction
  - Corporal Punishment
- Discrimination in Discipline
- Education and Technology
- Education of the Handicapped
- Extracurricular Activities
- Federal Education Programs
- Fees (for School Materials or Activities)
- Financial Aid
- First Amendment Rights of Parents and Students
- Governance of Schools
- Grading (Including Diploma and Degree Sanctions)
- Higher Education
- Indian Education
- Institutionalized Students
- Marriage or Pregnancy of Students
- Mediation/Alternative Dispute Resolution of School-Related Conflicts
- Migrant Education
- Minimum Competency Testing
- Parent and Community Participation
- Open Meetings
- Racial Discrimination
- Religious Issues
- Residence of Students or Parents (Right to Attend a Particular School)
- Resource Allocation by School Systems
- Sex Discrimination
  - Access to Programs and Activities
  - Pregnancy-Related Issues
- Special Education
  - Identification and Evaluation
  - Placement and Programming
  - Procedural Protections and Other Issues
- Student Records
- Student Rights
  - Free Expression
  - Compulsory Fees or Programs
  - Dress and Grooming
  - Procedural Protections
  - Search and Seizure and Other Issues
- Testing and Tracking
- Transportation to School
- Vocational Education

III. SERVICE REQUESTS

The Center places a high priority on providing help in response to all requests for assistance received from legal services attorneys and paralegals, and from private practitioners representing income-eligible clients. Requests for assistance may be made by telephone or letter, or may be presented at training sessions. The Center's response is geared to the type of assistance requested and may include telephone discussions of various possible approaches and strategies to solving a client's problem; the provision of prepared materials and written analyses; copies of materials from the Center's library and files, including pleadings, unreported decisions, and relevant articles and reports; review of draft pleadings; and assistance in identifying expert witnesses or educational data.

IV. STAFF

Paul Newman, Acting Executive Director
Paul Weckstein, Director of Washington, D.C., Office
Kathleen Boundy, Staff Attorney
Beverly Caffee Glenn, Educational Policy Analyst
Richard Jefferson, Staff Attorney
Larry Johnson, Staff Attorney
Robert Pressman, Senior Staff Attorney
Sharon Schumack, Director of Publications

NATIONAL EMPLOYMENT LAW PROJECT

475 Riverside Drive
Suite 240
New York, NY 10115
(212) 870-2121

236 Massachusetts Ave., NE
Washington, DC 20002
(202) 544-2185

The National Employment Law Project, Inc. (NELP) can provide you with a variety of support services, some of which are described below. We encourage you and your colleagues to call upon us for assistance. Among our current priorities are unemployment compensation, employment discrimination, rights of at-will employees and federal jobs programs.

I. SERVICES AVAILABLE

Training. NELP can provide training for attorneys and paralegals in the areas of its focus. We can help you conduct training seminars or we can design training programs.

Assistance in Litigation. We can provide assistance by way of co-counsel, of counsel or as counsel, depending on the specific case and the issues involved.

Publications and Written Materials. We have written analyses, model pleadings, research papers and related materials on many areas of employment law. A publications list is available upon request.

Expert Testimony. We have compiled a list of expert witnesses in many disciplines relating to employment law, and will try to assist you in acquiring expert testimony or with analyses of employment issues.

Private Attorney Referral. We have a national roster of attorneys experienced in employment law who can advise clients or litigate employment issues. Some are amenable to pro bono representation.

In addition to providing the above services to legal services offices, we will also provide services to those pro bono attorneys with whom you work.

II. COMMON TOPICS OF SERVICE REQUEST ASSISTANCE

- Unemployment Compensation
  - Eligibility
  - Disqualification
  - Recoupment
  - Appeals
- Employment Discrimination
  - Discrimination on the Basis of Sex, Race, National Origin, Age, Handicap and Marital Status
  - OFCCP Assistance in Defending Reverse Discrimination Cases as well as Affirmative Litigation
- Public Employment Rights
  - Constitutional Rights of Terminated Public Employees
  - Irrational Job Requirements
- Federal Job Programs (Jobs Training Partnership Act)
  - Use and Allocation of Employment and Training Funds
  - General Information
- Abusive Discharge (Rights of Terminated Private Employees)

NELP will continue to provide its full range of assistance in other related areas of employment law, including minimum wage, health and safety, labor relations and right to fair representation by unions.

III. SERVICE REQUEST POLICY

We respond to inquiries by telephone and by letter. Letters should be addressed to the director at NELP, and should include a description of the program, the assistance required, and any supporting documents that will illuminate the problem and facilitate an early response. Focus your question and explain the parameters of your analysis and research. Also, advise us of any deadlines. Within the restrictions delineated by the Legal Services Corporation we can also provide information relating to legislative and administrative matters.

III. STAFF

New York Office

Barbara Morris, Executive Director
Alison Berry, Staff Attorney
Alain Chirot, Staff Attorney
Emily Steinberg, Staff Attorney

Washington Office

Michelle Branch, Administrator
Walter Evans, Staff Attorney

NATIONAL CENTER ON WOMEN AND FAMILY LAW

Room 402
799 Broadway
New York, NY 10003
(212) 674-8200

The National Center on Women and Family Law, Inc., (NCOWFL) is the national legal services backup center on poor women's issues in family law. We provide legal expertise, informational tools, background data and technical assistance to legal services and pro bono lawyers and advocates representing poor women.

I. AVAILABLE RESOURCES

The highest priority of NCOWFL is to provide support to legal services staff and private attorneys representing indigent persons. NCOWFL tries to answer every request promptly. We, in fact, answer over 1500 inquiries a year.

NCOWFL staff is available to discuss cases; review and comment on draft pleadings and briefs; provide consultation on strategies; provide written materials such as model pleadings, copies of unpublished court opinions and analyses of frequently occurring legal issues; provide referrals to expert witnesses; and provide referrals to attorneys in other jurisdictions for assistance with interstate disputes.

Publications. NCOWFL publishes a newsletter, *The Women's Advocate*, six times per year. *The Women's Advocate* reports on significant legal developments and emerging trends in such areas as domestic violence, intrafamily custody, the rights of single mothers, divorce, child support, spousal support, child snatching and legal safeguards for older women. In addition, the newsletter announces and reports on seminars, conferences, training programs, manuals, books, periodicals and articles concerned with family law issues. *The Women's Advocate* is available without charge to legal services staff.

In addition, NCOWFL staff regularly writes a column for the *Clearinghouse Review*.

NCOWFL has over 50 Resource Packets on legal issues in family law, covering such topics as litigation on behalf of battered women, the Uniform Child Custody Jurisdiction Act, and joint custody. For a complete listing of our Resource Packets please write NCOWFL.

NCOWFL has also prepared the following training manuals.

Interstate Child Custody Dispute and Parental Kidnapping Policy, Practice and Law. This 550-page manual covers representation in interstate child custody disputes, including use of the Uniform Child Custody Jurisdiction Act and the Parental Kidnapping Prevention Act. One copy has been distributed to each legal services office. Additional copies are available from the Clearinghouse, No. 35,967, at a cost of $35. This manual was prepared in conjunction with the Child Custody Project of the American Bar Association and the National Center for Youth Law.

Legal Advocacy for Battered Women (1982). A general introductory manual on representation of battered women including discussions of interviewing, representation in civil and criminal procedures, and advocacy with welfare. Available for $4.00 to cover postage.

Confidentiality of Victim/Counselor Communications (to be published January 1985). A manual for battered women's shelters and crisis centers on the confidentiality of communications between the victim and her counselor, including the law of privilege and recordkeeping procedures that maximize confidentiality.

Training. NCOWFL provides training materials, trainers and planning assistance to local programs. In the past, NCOWFL's staff has provided training on parental kidnapping, interstate child custody disputes, child support, intrafamily custody, representation of battered women, family law trends, marital rape and mediation of family law issues.

Co-Counsel and Other Litigation Assistance. NCOWFL can provide legal representation and assistance, depending on the issue and the case, by serving as co-counsel, serving of-counsel, being on the brief or providing substantial technical assistance.

Access to NCOWFL's Family Law Library. NCOWFL has a library of specialized family law materials, including unreported decisions, pleadings, briefs, directories of experts, statistics, academic papers, studies, law reviews, books and handbooks for clients. The library is open to the public upon request. NCOWFL will make and send copies of materials in our library upon request.

Networks. NCOWFL has several networks of legal services staff and private attorneys who represent indigent persons. These networks provide the participants with a means for contacting one another, exchanging information and experiences, identifying new trends in family law, and cooperating with one another on interstate cases.

The *Interstate Child Custody Network* makes it possible for legal services attorneys and private attorneys to find lawyers in other jurisdictions to provide representation necessary to resolving interstate custody disputes.

The *Child Custody Task Force* disseminates information to private and legal services attorneys on resources and new developments with respect to custody issues affecting poor women and children.

II. COMMON TOPICS OF SERVICE REQUEST ASSISTANCE

Battered Women
Child Custody
Child Support Enforcement
Division of Property
Incest
Interspousal Tort Immunity
Interstate Custody Disputes
Marital Rape
Parental Kidnapping
Paternity
Spousal Support

III. SERVICE REQUEST POLICY

All requests for assistance on a particular matter should be addressed to us in writing, unless it is an emergency. Please provide us with copies of any relevant pleadings or statutes, an account of the research that has been done to date, and the full factual background. Please indicate which of the following forms of assistance you are requesting: (1) technical assistance; (2) assistance on the brief; (3) of counsel assistance; (4) co-counsel assistance. Also, please advise us of any deadline.

IV. STAFF AND STAFF SPECIALTIES

Ellen Max: Newsletter Editor
Joanne Schulman: Custody; Child Support, Interstate Custody
Andrewnetta Williams: Administrator
Laurie Woods, Director: Battered Women

Support Staff: Miriam Gonzalez, Secretary; Mary Johnson, Office Manager; Ilene McDermott, Clerical; Hector Perez, Bookkeeper

V. BOARD OF DIRECTORS

Tamara Dhan, Legal Services of Northern California, Auburn, CA
Demita Frazier, Jamaica Plan, MA
Marjory Fields, Brooklyn Legal Services, Corp. B., Brooklyn, NY
Pauline Gee, California Rural Legal Services, Marysville, CA
Jeanne Hammock, private practitioner, Queens, NY
Georgianne Rodriguez, Alhambra, CA
Bessida Cauthorne White, private practitioner, Richmond, VA
Kahlida J. Lovell, Winston-Salem, NC

FOOD RESEARCH AND ACTION CENTER

1319 F Street, N.W.
Suite 500
Washington, DC 20004
(202) 393-5060

The Food Research and Action Center (FRAC) was organized in 1970 as a nonprofit law firm and advocacy center working with the poor and the near-poor to end hunger and malnutrition in the United States. FRAC works primarily with the federal food programs (Food Stamp, school lunch and breakfast, elderly nutrition, childcare food, summer food, and supplemental food program for women, infants and children) as vehicles for addressing this nation's hunger problems.

I. AVAILABLE RESOURCES

FRAC's services are available to anyone concerned about hunger in America.

Service Requests. FRAC staff is available to discuss legal services cases on the telephone. FRAC recognizes that legal services workers often deal with emergency situations necessitating telephone advice. Such telephone assistance often includes an analysis of federal regulations affecting the client's case, a description of various approaches to the issue, and referral to case law on similar issues.

FRAC staff members attempt to respond promptly to all requests for assistance. We welcome requests on routine issues as well as more complex matters.

Publications. Much of our work involves the preparation of written materials and their distribution (along with other advocates' contributions) to a wide variety of people and organizations. This includes current information about the federal food programs; regulatory changes and analyses; and state and national hunger, welfare and food policy deliberation and issues. The purpose of this work is to facilitate maximum understanding of the issues among our broad constituency, which includes individual poor people and their groups, anti-hunger coalitions, CFNP grantees, legal services programs, community action agencies, church groups, legislators, journalists and the general public. This work is both initiated by us and generated in response to written or telephone inquiries.

FRAC publishes guides that explain the food programs in an easily understood fashion. Some of these materials are free; others involve a charge to cover printing costs. All materials are free to those individuals and groups unable to afford the price. These publications include:

FRAC's Guide to the Food Stamp Program. $4.00. Describes how the program works in a simple question and answer format. Contains income worksheets helpful in determining eligibility. All information indexed for easy reference to U.S. Code and federal regulations.

Foodlines. $20.00 annual subscription. FRAC's monthly newsletter reporting legislative and administrative developments affecting food programs, food program litigation and activities of national as well as community-based anti-hunger groups.

Hunger in the Eighties: A Primer. $10.00. This book provides a history of the food programs, explains the public and private programs established to fight hunger along with the growth and recent crippling of the federal food assistance effort, summarizes key statistical data, and presents a plan to meet the crisis head-on.

FRAC's Guide to Quality School Lunch and Breakfast Programs. $4.00. Provides information on beginning a school meals program or evaluating and monitoring an existing program with an eye toward improving quality.

Food and Nutrition Issues in the Food Stamp Program. $1.00. A thorough look at the nutritional and health aspects of the Food Stamp Program. Examines and dispels many common myths about shopping patterns of food stamp recipients.

Doing More With Less: Innovative Ideas for Reducing Costs in the School Nutrition Programs. $10.00. Aids those concerned about keeping child nutrition programs alive and well in spite of severe budget cuts.

WIC: A Success Story. $2.00. Provides a synopsis of each of the major medical evaluations of the special Supplemental Food Program for Women, Infants and Children, clearly documenting its value.

How to Document Hunger in Your Community. $3.00. Describes the process in collecting data to prove the existence of hunger in a community and suggests what to do with that information. Appendices contain national statistics on health and poverty.

Profile of the Federal Food Programs. Single copies free; additional copies 50¢. A brief overview of the federally funded programs available to low-income individuals and families, including information on eligibility requirements. Seven different programs are discussed. The pamphlet also describes the mission and goals of FRAC.

Food Law Case Summaries. Available from the Clearinghouse, No. 28,323. Summarizes food program litigation since 1970, including the Clearinghouse reference number and name of lead counsel. Most recently updated in August 1983.

Training. FRAC staff is available to conduct training on the federal food programs as well as skills development in the areas of administrative advocacy and public benefits litigation. We are also available to assist programs in planning a training session and to provide training materials.

Co-Counsel and Other Litigation Assistance. FRAC attorneys welcome the opportunity to assist field programs with food program litigation. Because of our experience with the federal food programs and our knowledge of case law, we are able to assist in the assessment of the likelihood of success on a particular issue and, in some cases, to provide strategies in lieu of litigation. FRAC attorneys are able to review and comment on draft pleadings and briefs and to provide written materials such as model pleadings and briefs.

FRAC will become co-counsel with a field program if such assistance is needed and if FRAC's resources are sufficient.

Expert Testimony and Analysis. FRAC's staff includes nutritionists who provide backup support services to FRAC's legal policy development and fieldwork staff. FRAC's nutritionists assist in analyzing issues affecting the nutritional status of low-income people.

Access to Specialized Materials. FRAC's library includes the legislative history of federal food program legislation, poverty statistics, federal food program statistics, USDA food program manuals and USDA policy memoranda.

Special Projects. Depending on available resources, FRAC will consider requests for special projects.

II. SERVICE REQUEST POLICY

The top priority of FRAC's legal unit is to provide technical assistance to legal services field attorneys and paralegals and to the private bar representing food program recipients. Our objective is to provide expert, competent and thorough advice. To assist us in meeting that objective, we prefer written requests for assistance that include supporting documents, the requester's analysis and research, and any deadline.

III. PROGRAM STAFF

Michael Lemov: Executive Director
Helaine Cohen: Fundraiser/Administrator
Cynthia Schneider: Attorney—Food Stamp Program Specialist
Kathleen McKee: Attorney—Child Nutrition Programs; Indian Food Programs; Workfare
Edward Cooney: Attorney—Child Nutrition Policy Analysis and Development
Marsha Simon: Food Stamp Program Policy Analysis and Development
Lynn Parker: Nutritionist—Nutrition and Health Policy Issues; Nutrition Needs of Low-Income People
Cecilia Perry: Media/Publications Specialist; *Foodlines* Editor; Food Program Reference Specialist
Alan Sanders: Maternal and Child Health Specialist—WIC Issues
Enid Kassner: Fieldworker—Elderly Nutrition Program Specialist

Support Staff: Beverly Beard, Office Manager; Karen Dorsett, Secretary; Jacqueline M. Bailey, Secretary; Anthony Pharr, Controller

NATIONAL HEALTH LAW PROGRAM

2639 S. La Cienega Blvd.
Los Angeles, CA 90034
(213) 204-6010

1302 18th St. N.W.
Suite 701
Washington, DC 20036
(202) 887-5310

The National Health Law Program (NHeLP) staff is available to provide a wide range of assistance to legal services advocates. Below is a list of our services. We are anxious to be of assistance to you regardless of your level of experience. The information you share with us helps us to better represent our clients collectively in national forums.

I. SERVICES

Service Requests. NHeLP answers 2,500 requests for assistance each year. Requests come from every state and U.S. territory, even including a few international requests.

Publications. NHeLP has published basic health manuals on Medicaid, Medicare, Hill-Burton, Hill-Burton collection defense, maternal and child health, civil rights and health care, and state and local responsibility to provide health care. We have recently co-authored a manual on community health campaigns.

The staff does periodic update mailings to Medicaid, Hill-Burton, public hospital, and maternal and child health advocates.

In addition, NHeLP staff writes columns for the *Clearinghouse Review* on a monthly basis and we publish a quarterly newsletter, *Health Advocate*.

On an annual basis, we analyze the administration's health budget (*e.g., Hard Facts, 1985 Budget Proposals*) and we contribute to the year-end *Clearinghouse Review* on health law developments.

Training. NHeLP is frequently asked to provide health law training with local trainers at statewide and regional meetings. We have an extensive library of health training materials.

Co-Counsel and Other Litigation Assistance. NHeLP staff members frequently assist local lawyers in planning litigation and sharing relevant pleadings. We will also provide co-counseling assistance.

Washington Representation. NHeLP gathers information from HHS for local counsel, represents clients before Congress and administrative agencies, and meets with a variety of Washington-based groups concerned with health care access issues.

Health Policy Analysis. NHeLP is frequently called upon by federal and state decisionmakers to provide technical expertise on health financing and access issues that affect the poor.

Special Projects. Groups not funded by Legal Services Corporation call on NHeLP from time to time to provide studies on health needs.

II. COMMON TOPICS OF REQUESTS FOR ASSISTANCE

- Civil Rights
  - Impact of Medicaid Cuts on Protected Groups (Minorities and the Handicapped)
  - Bilingual Services
  - Segregation or Denial of Access in Nursing Homes
  - Hospital Closures and Relocations
  - Minority Participation in Health Planning Bodies
- Health Care Financing Reform
  - Freedom of Choice of Providers and Other Waivers under Medicaid
  - Disproportionate Share and Other Efforts to Fund "Uncompensated Care"
  - Takeovers by For-Profit Chains and Access Consequences for the Poor
  - Case Management
  - Rate Setting
- Hill-Burton
  - Administrative Complaint Monitoring
  - Emergency Room Access
  - Collection Defense
  - Statewide Monitoring
  - Provider Participation
  - HHS Assurance Forms
  - Deficit Reduction Act and Other Legislative Developments
  - Nursing Home Access of Medicaid Eligibles
  - Admission Deposits
- Maternal and Child Health
  - Transportation (Medicaid)
  - Provider Reimbursement (Medicaid)
  - Emergency Room Access (Hill-Burton)
  - Block Grants
  - Medically Needy Coverage of Women and Children
  - Deficit Reduction Act Coverage
  - Nurse-Midwives and Other Alternative Providers
  - Early and Periodic Screening, Diagnostic and Treatment Program (EPSDT)
  - Maternity Center Financing through Medicaid Waivers
- Medicaid
  - Co-Payments
  - Prior Authorization
  - Pickle Amendment Issues
  - 209(b) Issues
  - Medically Needy Income Levels
  - Long-Term Care
  - New Regulations
  - Transportation
  - Medically Needy Expansion
  - Ribicoff Children's Coverage
  - Cutbacks
  - Case Management
  - Provider Participation
- Medicare
  - Diagnostic Related Groups (DRGs)
  - Cost Sharing
  - Medicare-Medicaid Interplay
  - Eligibility and Coverage
  - Litigation Developments
  - Utilization Review Activities
  - Assignment
  - Administrative Appeals
  - Medicare Supplemental Insurance
- Public Hospitals
  - For-Profit Takeovers
  - Reimbursements
  - Capital Expansion
  - Case Management
  - Cutbacks
  - Closures
- State and Local Responsibility
  - Coverage for Poor Not Covered by Medicaid or Hill-Burton
  - Who Is Payor of Last Resort
  - Coverage for Recently Unemployed
  - Emergency Room Access

III. SERVICE REQUEST POLICY

We handle the bulk of the requests we receive by phone and follow-up correspondence. We would appreciate a call or a short note letting us know the outcome of the matter we discussed—feedback of any sort fuels our continuing request-answering work.

IV. STAFF

Sylvia Drew Ivie, Director: Civil Rights
Geraldine Dallek: Health Policy Analysis; Public Hospitals; Access Issues; Selected Medicaid Issues Including Case Management and Co-Payments; Rate Setting; Health Data
Michael Dowell: State and Local Responsibility; Hill-Burton; Access
Armin Freifeld: Hill-Burton; Uncompensated Care
Susan Garner: Maternal and Child Health; Medicaid; Rate Setting
Michael Parks: Medicare; Medicaid Long-Term Care
Jane Perkins: Health Care Financing
Roger Schwartz (Washington office): Medicaid
Judith Waxman (Managing Attorney, Washington office): Hill-Burton; Public Hospitals; Medicaid; Legislative and Administrative Representation
Marc Green: Administrator, Newsletter Editor

Support Staff: Laura McGee, Receptionist; Agnes Alexander (Washington office), Administrative Secretary; Michael Dempsey, Secretary; Roy Gehter, Filing

V. BOARD OF DIRECTORS

Attorneys

Elena H. Ackel, Los Angeles, CA
Patricia A. Butler, Boulder, CO
Marcia D. Greenberger, Washington, DC
Elaine Jones, Washington, DC
Stanton J. Price, Santa Monica, CA
Carmen Ramirez, Oxnard, CA
John F. Rinaldi, San Jose, CA

Clients

Beverly Edmon, Ventura, CA
Cora L. Johnson, Soperton, GA
Kathryn Lewis, Washington, DC
Linda Mitchell, Nashville, TN

EMERGENCY
◄ENTRANCE

Photo by Carol Edstrom

NATIONAL HOUSING LAW PROJECT

1950 Addison Street
Berkeley, CA 94704
(415) 548-9400

509 C Street, N.E.
Washington, DC 20002
(202) 543-4900

The National Housing Law Project (NHLP) provides backup and assistance to local legal services attorneys and paralegals on issues related to publicly assisted and private housing, community development, and other housing-related issues. Project services include research and litigation on advisory co-counsel or amicus basis, and legislative and administrative review and analysis in appropriate instances and as permitted by Legal Services Corporation regulations. NHLP also conducts one- and two-day training seminars at the request of local legal services programs, preferably on a regional basis. In addition, NHLP creates and often publishes training manuals and information manuals covering all areas of housing law. The Project also publishes a bimonthly newsletter entitled *The Housing Law Bulletin,* which provides information on new developments in housing law affecting the legal services community.

I. AVAILABLE RESOURCES

NHLP's services are available to the legal services community, the private bar and, to a limited extent, to individual clients or client groups interested in housing law.

Service Requests. Service requests are received by telephone or letter; NHLP handles a combined annual quantity of requests in excess of 6,000. Staff attorneys specializing in various areas of housing law (described in detail below) respond to requests generally within three days. The vast majority of service requests can be answered with prepared packets of materials; however, approximately 20 percent of service requests require custom-tailored responses involving some degree of research. All service requests should be directed to NHLP's Berkeley office. The Berkeley office may decide to parcel out a specific request to the Washington, D.C., office, depending on availability of time and staff attorney expertise.

Publications. The Project publishes a newsletter entitled *The Housing Law Bulletin* six times per year. All articles appearing in the *Bulletin* are written by NHLP staff. The *Bulletin* attempts to offer one or two detailed feature articles in every issue and numerous "new developments" articles describing cases, legislation or innovative ideas in the housing field.

From time to time NHLP staff attorneys write detailed articles for publication in the *Clearinghouse Review* or in other national publications ranging from the *Harvard Law Review* to *Consumer Digest.*

The Project also publishes numerous books and manuals on specific areas of low- and moderate-income housing. These include the following.

G. Anders, *FmHA/Rural Housing Information Packet.*
K. Baar & D. Keating, *Fair Return Standards and Hardship Appeal Procedures: A Guide for New Jersey Rent Leveling Boards* (June 1981).
R. Blumberg & J. Grow, *The Rights of Tenants* (1979).
C. Hartman, D. Keating & R. LeGates, *Displacement: How to Fight It* (1982).
D. Keating & J. Wedel, *A Study of Home Improvement Problems and Alternative Preventive Approaches Available to State and Local Government* (July 1982).

National Housing Law Project, *HUD Housing Programs: Tenants' Rights* (1981).
National Housing Law Project, *FmHA Housing Programs: Tenants' and Purchasers' Rights* (1982).
National Housing Law Project, *The Subsidized Housing Handbook: How to Provide, Preserve and Manage Housing for Lower-Income People* (1982).

Training Sessions. Upon request from local field programs or regional legal services offices, NHLP is available for one- or two-day on-site training sessions. The common training session will require the services of one and possibly two staff attorneys from the Project, depending on the need for substantive coverage. The areas available for training are listed under section IV, with staff specialty descriptions.

Co-Counsel and Other Litigation Assistance. NHLP is available to participate in litigation with field programs as co-counsel, amicus curiae or in an advisory capacity. Decisions are made as to which cases to participate in by priority setting among the staff pursuant to direction from its board of directors and Project director. The Project will consider participation in litigation based not only on the priority of the issue being litigated, but also on the availability to local field programs of other resources willing to participate in the litigation.

Berkeley and Washington Offices. NHLP maintains a Washington, D.C., office (address and phone given above) that works through the Berkeley office to further the representation of low- and moderate-income tenants' and homeowners' interests. The Washington office is also available for training and substantive service responses; however, it is suggested that all initial contacts be made through the Berkeley office.

II. COMMON TOPICS OF SERVICE REQUEST ASSISTANCE

Private Landlord-Tenant

Appeals Bond Packet
Attorneys' Fees Packet
California Pleadings Packet
CCP 116(a) Packet
Challenges to Five-Day Response Requirement Packet
Code Enforcement Packet
Code Enforcement, County/Municipal Liability Packet
Discrimination Against Families with Children Packet
Evictions Packet
Evictions, California Packet
Evictions, Due Process Packet
Evictions, Just Cause Packet
Evictions, Lockout Packet
Evictions, Procedural Technicalities Packet
Evictions, Retaliatory Packet
Fees/Penalties Packet
Housing Courts Packets
Illegal and Unconscionable Lease Clauses Packet
Injunctive Relief/Specific Performance Packet
Jury Trial Packet
Landlord Security Deposit Act Packet
Lead Poisoning Packet
Mediation Board Packet
Mobile Home Packet
Model Housing Codes Packet
Mortgagee (Lender) Liability in Breach of Implied Warranty of Habitability Packet
Police Intervention Packet
Procedure Packet—Interrogatories, Jury Instructions, Voir Dire
Receivership Packet
Rent Control Packet
Repair and Deduct Packet
Repair and Deduct—California Packet
Repair, City's Duty
Retroactive Rent Abatement Packet
Rule 403 Packet
Rule 403 Packet on Preemptions
Security Deposit Packet
Tort Packet
Tort Punitive Damage Packet
URLTA Packet
Unfair Trade Practices Packet
Utility Shut-off Packet
Warranty of Habitability (Implied) Packet
Warrant of Habitability (New Construction) Packet

Section 8

Admissions
Adequacy of Utilities Allowance
Evictions from Projects Receiving Section 8 Additional Assistance
Existing Housing Evictions
Existing Housing: Termination of Eligibility and Reduction of Benefits
New Construction Eviction Packet and Substantial Rehabilitation

Public Housing

Admissions
Appointment of Tenants as Local Housing Authority
Cases in Which Project Maintenance in Public or Subsidized Housing Have Been Litigated
Excess Charges Other Than Utilities, Which When Combined with Rent, Exceed Maximum Rent-to-Income Ratio
Introductory Materials on Public Housing Homeownership, Including Turnkey III
Lease and Grievance Procedures Packet
Lease and Grievance Regulations (current)
Loss of Public Housing Units Package
Materials on Conversion for Section 23 to Section 8
Modernization Program
Nonpayment and Late Payment of Rent in Public Housing

Recent Materials on Economic Mix
Rent-to-Ratio Income
Utility Charges in Public Housing

FHA Subsidized and Multifamily

Discrimination Against Handicapped
Evictions from FHA Subsidized Projects
HUD Foreclosure and Property Disposition
HUD TPA Packet Materials
Individuals Requesting Information Regarding Section 236 Landlord's Claim for Rent Rebate
Late Payment Fees in Subsidized Housing
Leases for Multifamily Project
Materials on Management of FHA-Subsidized Housing
Rent Increase Package for FHA-Subsidized Programs
Sample Manual on Tenants' Rights and Responsibilities for Subsidized Programs

Miscellaneous

Exclusion of Undocumented Persons
Exclusive Jurisdiction of the Court of Claims
General Inquiries Packet
HHS Proposed Regulation Regarding Treatment of Housing Subsidies as Income
Implied Private Right of Action
Mandatory Meals in Section 236 and Section 202 Housing
1983 Legislation of Pets

Rural

FmHA Liability for Defective Construction
FmHA Rental Housing Eviction Packet
Moratorium Relief

Community Development

Amendments to the Uniform Relocation Act
Analysis of the New Uniform Relocation Act Regulations
CDBG Articles—An Advocacy Guide to the Community Development Block Grant Program
Code Enforcement Packet
Combatting Private Displacement
Displacement
Displacement: How to Fight It
Displacement of the Urban Poor: An Annotated Bibliography
Displacement: Strategies to Control It and Safeguards Against Its Hardships
General Displacement Packet
Inclusionary Zoning Packet
Index to Displacement Files
Illusory Promises Revisited: Relocation Planning and Judicial Review
Litigation Strategies and Judicial Review Under Title I of the Housing and Community Development Act of 1974
Redlining and Disinvestment
Revenue Sharing and Relocation: The Administrative Dilemma of Ostensibly Conflicting Congressional Directives
Shoddy Rehab Packet
Senate Bill No. 966
SRO Article "A Guide to the Preservation and Maintenance of Single Room Occupancy"
SRO Guide
State and Local Anti-Demolition Packet
State and Local Anti-Speculation Legislation
The Kansas City Housing Experience: Subsidies for the Real Estate Industry and Palliatives for the Poor
The Perils of Special Revenue Sharing for Community Development

III. SERVICE REQUEST POLICY

NHLP responds to service requests from its Berkeley office. Telephone requests are either taken as they come in or returned within two days; written requests are usually responded to within three days. As stated above, the vast majority of service requests can be adequately addressed by prepared packets of materials in numerous subject matter areas. Responses to those service requests requiring individual research are arranged between the staff attorney responsible for that area of expertise and the field attorney requesting assistance.

Service requests involving litigation or other continuing assistance are to be cleared through the Project director or associate director and the individual staff attorney responsible for that substantive area of law. See section IV for a detailed description of staff and staff specialties.

IV. SERVICE AREAS AND STAFF

Public Housing and Section 8. Admissions and evictions issues; lease and grievances procedures; management procedures; site selection; tenant participation; utility allowances; modernization; rent levels; etc. Specialist attorneys: Catherine M. Bishop, David B. Bryson and James R. Grow.

Private Landlord-Tenant Law. Implied warranty of habitability and other damage actions; rent withholding; retaliatory actions; rent control; housing code problems; right to jury trial; applicability of tort and contract remedies; security deposits; etc. Specialist attorneys: Richard E. Blumberg and James R. Grow.

Community Development. Federal Community Development Block Grant Program (CDBG), including review of applications and monitoring requirements to ensure that low-income persons are beneficiaries of the programs. Specialist attorney: Frances E. Werner.

Displacement and Relocation. Specialist attorneys: David B. Bryson and Frances E. Werner (Berkeley); Florence Wagman Roisman (Washington, D.C.).

Rural Housing. Tenants' and homeowners' rights and FmHA-financed housing; rural rent supplement; eligibility criteria for FmHA programs; FmHA disposition policies; single-family foreclosures and mortgage moratorium issues; compensation for defective homes. Specialist attorneys: Gideon Anders (Berkeley); Lee P. Reno (Washington, D.C.).

HUD-Subsidized Multifamily Housing. Admissions and evictions; rent increases; tenant participation; operating subsidies; physical condition; disposition of HUD-acquired or HUD-held multifamily projects. Specialist attorneys: Catherine M. Bishop, David B. Bryson, James R. Grow (Berkeley); Florence Wagman Roisman (Washington, D.C.).

Single-Family Housing Issues. Mortgage finance and foreclosure issues; HUD assignment program; veterans administration; mortgage foreclosures; defect compensation; redlining and disinvestment; condominium conversions. Specialist attorney: David M. Madway.

State Housing Finance Agencies. Organization and obligation to provide low-income housing. Specialist attorney: Daniel D. Pearlman.

Syndication of Low- and Moderate-Income Housing by Nonprofit Organizations. Provision of legal and technical assistance in raising capital through syndicating new or existing housing, including analysis of the physical management and financial condition of a project; development of financial projections; examining alternative solutions to syndication; assisting in selecting outside syndicators; assisting in structuring the syndication from marketing; evaluating syndication proposals from a legal, financial and social perspective; providing legal advice and assistance and drafting documents such as partnership agreements, land leases, private placement offering materials and tax shelter opinions. Specialist attorneys: Daniel D. Pearlman, Michael G. Smith, Richard W. Power and Frances E. Werner.

Photo by Carol Edstrom

NATIONAL CENTER FOR IMMIGRANTS' RIGHTS

1636 West Eighth Street
Suite 215
Los Angeles, CA 90017
(213) 487-2531

The National Center for Immigrants' Rights (NCIR) is part of the network of national support centers funded by the Legal Services Corporation. NCIR provides legal assistance to local legal services programs, client organizations and private attorneys throughout the United States in the area of immigration and naturalization law and refugee and asylum procedures.

I. AVAILABLE RESOURCES

Assistance is provided by NCIR primarily in response to requests from LSC field programs. We also assist private attorneys representing LSC-eligible clients as part of the private bar involvement program, as well as community organizations serving the LSC-eligible client community. Local programs, private attorneys and client organizations are updated on current litigation and immigration law issues through regular mailings from NCIR.

Requests for Assistance. NCIR is available to respond to both telephonic and written requests. A large percentage of requests for assistance is handled telephonically by the Center's staff attorneys and legal assistants. NCIR assists field programs in analyzing the legal issues raised by policies and procedures affecting immigrants. NCIR has also assisted field attorneys in cases that involve constitutional issues in the immigration context.

Most inquiries involve issues regarding family unification with either U.S. citizen relatives or lawfully admitted permanent residents. NCIR also receives many questions regarding cases involving persons with long-term residence in the United States who have accrued legal rights and equities under the immigration laws and who have citizen and permanent resident family members. There has been an increase in the number of cases involving naturalization and citizenship questions. In addition, NCIR continues to answer questions regarding calls arising under the 1980 Refugee Act involving Southeast Asian, Cuban, Salvadoran and Haitian refugees.

Publications. NCIR's *Immigration and Naturalization Law Manual* (Legal Services Practice Manual) was originally distributed to LSC local programs in 1982. The *Manual* is still available from NCIR and is widely used by attorneys and paralegals needing assistance in the area of immigration law. In addition, NCIR has published a *Paralegal Manual* that is available in both English and Spanish.

Training. NCIR provides training and training materials in the area of immigration law in cooperation with local programs. We have participated in training sessions and conferences on both a national and local level. Our training materials include video tapes and publications developed from specific training.

Co-Counsel and Other Litigation Assistance. NCIR participates in litigation as lead counsel and as co-counsel, as well as in an advisory capacity, for local programs involved in litigation.

Expert Testimony and Analysis. NCIR can provide expertise in specific areas of immigration law and make referrals to consultants and experts when necessary.

Access to Specialized Materials. NCIR's brief bank, litigation files, training materials and legal resource materials contain a wide range of specialized information, with model briefs, master exhibits, documentation, etc. available to local programs upon request.

Special Projects. NCIR will consider requests for special projects.

II. COMMON TOPICS OF REQUESTS FOR ASSISTANCE

Visa Processing and Adjustment of Status
Suspension of Deportation
Constitutional Issues
LSC Eligibility, Locating Other Counsel
Immigration Aspects of Other Areas of Law (*e.g.*, Receipt of Public Benefits by Permanent Residents)
Asylum and Refugee Issues

III. SERVICE REQUEST POLICY

Requests for assistance are largely telephonic. Requests involving routine issues that can be resolved through a review of the facts and applicable law are responded to immediately by telephone. When needed, materials are sent from the Center's brief bank, litigation files or legal resource materials. Some requests, however, require more in-depth research and investigation. In such complex cases, a staff attorney will do the research and send the results and any written materials within an average of 10 days. If the case is urgent, the response will be made immediately and materials mailed for overnight delivery.

We suggest for the most effective and expeditious assistance that local programs provide us with all the information they have on a particular case and that they inform us of the timeline on the case so that it receives appropriate priority.

IV. STAFF

Gilbert Paul Carrasco, Directing Attorney: Constitutional Law; Civil Rights; Federal Court Practice; Immigrant Children's Rights; State and Local Law Enforcement of Immigration Laws
Linton Joaquin, Staff Attorney: Asylum and Refugee Law; Federal Court Practice; Deportation Procedures; Visa Processing Procedures
Vera Weisz, Staff Attorney: Rights of Haitians and Cubans; Asylum and Refugee Law; Federal Court Practice; Labor Certification; Deportation and Exclusion Procedures; Visa Processing Procedures
Andres Bustamante: Law Clerk
Nancy Smyth: Administrative Assistant

V. ADVISORY BOARD

Deborah Anker, Lecturer and Clinical Instructor, Harvard Law School, Cambridge, MA
Ira J. Kurzban, Kurzban, Kurzban & Weinger, Miami, FL
Warren Leiden, Executive Director, American Immigration Lawyers Association, Washington, DC
Arthur C. Helton, Director, Political Asylum Project of the Lawyers Committee for International Human Rights, New York, NY
Wade J. Henderson, Legislative Counsel, American Civil Liberties Union, Washington, DC
Paula D. Pearlman, Director, Imperial Valley Immigration Project, El Centro, CA
Kristine A. Poplawski, Director, Illinois Migrant Legal Assistance Foundation, Chicago, IL
Mark D. Rosenbaum, Counsel, American Civil Liberties Union, Los Angeles, CA
Michael H. Sussman, Assistant General Counsel, National Association for the Advancement of Colored People, New York, NY
Dale Frederick Swartz, Director, National Forum on Immigration & Refugee Policy, Washington, DC

NATIONAL CENTER FOR YOUTH LAW

1663 Mission St.
5th Floor
San Francisco, CA 94103
(415) 543-3307

The National Center for Youth Law (NCYL) is part of the nationwide network of Legal Services Corporation backup centers. It was established in 1970 to provide specialized assistance to local legal services programs and others working on behalf of LSC-eligible clients.

The Center's attorneys are familiar with a wide range of substantive areas of law that affect the well-being of poor children and adolescents. Particular areas of expertise include foster care; youth employment; juvenile justice; access to housing for families with children; abuse, neglect and termination of parental rights; and the special problems of children and adolescents who live in institutions.

I. AVAILABLE RESOURCES

NCYL's primary responsibility is to assist LSC field programs with problems concerning poor children and adolescents. Our resources are also available to private attorneys representing LSC-eligible clients as part of the private bar involvement program. Our goal is to increase the efficiency and effectiveness with which legal services are provided to eligible clients. Assistance will be provided in a variety of ways, depending on the needs of the client community and the legal services programs with which we work.

The following is a list of services available from NCYL. We urge you to contact us regarding your need for assistance with youth law matters.

Requests for Assistance. NCYL attorneys are available to discuss legal services cases on the telephone. Such telephone discussions often include a description of various possible approaches to a client's problem, an assessment of the likelihood of success on the merits of particular issues, as well as strategic and procedural considerations that may be useful in providing effective representation.

NCYL attorneys are also available to review and comment on draft pleadings and briefs and to provide written materials, such as model pleadings, copies of unpublished court opinions and analyses of various legal issues that frequently arise in certain kinds of cases.

NCYL attempts to respond promptly to all requests for assistance. We welcome requests about individual and routine matters as well as requests on more complex issues. It is best if requests are submitted in writing accompanied by supporting documents. However, we know that legal services attorneys often deal with emergencies and we urge you to telephone in such situations.

Publications. NCYL publishes a newsletter, *Youth Law News*, six times per year. Its purpose is to convey useful information in a timely fashion. Such information and analysis is particularly important in the area of "youth law" because young people from poor families and poor children with no families do not usually appear in legal aid offices and are not members of organized advocacy groups. Legal services field attorneys, therefore, are not likely to be aware of poor children's legal problems in proportion to the magnitude of those problems. If your office does not receive *Youth Law News*, please let us know.

In addition, NCYL writes articles published regularly in the *Clearinghouse Review* and periodically in other legal journals.

Training Manuals. The following training manuals have been prepared by NCYL staff and are available from the NCYL office.

Foster Care Reform: Strategies for Legal Services Advocacy to Reduce the Need for Foster Care and Improve the Foster Care System (Oct. 1981). This 236-page training book was written by Abigail English and published by the Legal Services Corporation. It is intended to assist legal services attorneys who represent clients involved in the various aspects of the foster care system. Particular attention is given to explaining and analyzing the major changes in foster care precipitated by the Adoption Assistance and Child Welfare Act of 1980. The training book has been distributed to all legal services programs, but is still available from NCYL or from the Clearinghouse, No. 31,838.

Interstate Child Custody Disputes and Parental Kidnapping: Policy, Practice and Law (Sept. 1982). This manual was published in conjunction with the Child Custody Project of the American Bar Association and the National Center for Women and Family Law. It is available from NCYL and the National Center for Women and Family Law, 799 Broadway, Room 402, New York, NY 10003.

Litigating Under the Adoption Assistance and Child Welfare Act of 1980 (1983). This paper is available from NCYL upon request.

Abuse and Neglect Manual. In 1974, NCYL staff published a training manual for use by legal services attorneys who were representing clients in abuse, neglect and termination of parental rights proceedings. NCYL hopes to have a revised and updated version of this manual available in the spring of 1985.

Training. NCYL provides training materials, trainers and planning assistance in cooperation with local programs. Please let us know if you need help with training.

Co-Counsel and Other Litigation Assistance. NCYL will become co-counsel with field programs if such assistance is needed and if NCYL's resources are sufficient. In some instances, NCYL functions as a fully participating co-counsel, while in others NCYL assists as "advisory counsel."

Access to NCYL's Library of Specialized Youth Law Materials. NCYL has a library of specialized youth law materials, many of which are not readily available to field attorneys. These can be copied and sent to attorneys who request them. We are now in the process of computerizing our information retrieval system. When this is completed, we will furnish each legal services office with an annotated index of materials available from our library.

II. COMMON TOPICS OF REQUESTS FOR ASSISTANCE

Following is a list of the most common topics of requests for assistance received by NCYL. Cases in other substantive areas, however, often involve issues created by the different legal status accorded children. Legal services programs are therefore encouraged to contact NCYL regarding any cases in which the legal status of minor clients may have significance.

Abuse, Neglect and Termination of Parental Rights
Child and Adolescent Health Care
Child Nutrition
Emancipation of Minors
Foster Care
Guardianships
Housing Discrimination Against Families with Children
Juvenile Court Procedures
Mental Health Problems of Children
Problems of Children and Adolescents Who Live in Institutions
Public Benefit Programs for Children
Status Offenders
Youth Employment

III. STAFF

John O'Toole, Director: Federal Civil Procedure
Carol Babichuk, Administrator
Alice Bussiere: Children's Health; Disability Programs for Children; Mental Health; Education; Public Benefit Programs for Children; Training; Foster Care
Teresa Demchak: Federal Court Practice; Civil Rights; Public Benefit Programs for Children; Foster Care; Abuse and Neglect; Housing Discrimination Against Families with Children
Abigail English: Foster Care; Abuse, Neglect and Termination of Parental Rights; Child and Adolescent Health Care; Emancipation of Minors; Mental Health Problems of Children
Nicky Gonzalez: *Youth Law News* Editor
David Lambert: Problems of Children and Adolescents Who Live in Institutions; Juvenile Court Procedures; Housing Discrimination Against Families with Children; Abuse, Neglect and Termination of Parental Rights; Child Nutrition; Status Offenders
Rita McLennon: Fundraising Development
James Morales: Youth Employment; Housing Discrimination Against Families with Children; Problems of Children and Adolescents Who Live in Institutions; Guardianships
Hilda Taylor: Abuse, Neglect and Termination of Parental Rights; Civil Rights of Children; Foster Care; Housing Discrimination Against Families with Children

Support Staff: Barbara Kehoe, Ann MacAndrew, Ethel Oden

MENTAL HEALTH LAW PROJECT

2021 L Street, N.W.
Suite 800
Washington, DC 20036
(202) 467-5730

I. PROJECT DESCRIPTION

The Mental Health Law Project (MHLP) is a Washington-based organization that was established in 1972 to clarify and protect the legal rights of mentally ill and developmentally disabled people. Through coordinated use of test-case litigation, policy advocacy and educational outreach to lawyers, mental health and mental retardation professionals, family members, client groups and other advocates, MHLP has been a national leader in establishing and clarifying the rights of mentally disabled people during the last decade. Since 1980, MHLP has contracted with the Legal Services Corporation to operate a national support program in mental disability law for LSC-funded field offices.

MHLP gives priority to seeking redress for injustices in two broad areas affecting the majority of indigent mentally disabled people: (1) abuse and neglect in public mental institutions and retardation facilities; and (2) the lack of appropriate mental health treatment, training, housing and support services in the community. In the context of efforts to obtain access for mentally disabled people to needed treatment and training, MHLP also works to protect the rights of individuals facing civil commitment to mental institutions and the administration of potentially hazardous or intrusive procedures, such as electroconvulsive therapy ("shock treatment"), sterilization and psychotropic drugs.

II. AVAILABLE RESOURCES

MHLP welcomes requests for information and assistance from legal services field attorneys, members of the private bar, and lawyers and other advocates with state protection and advocacy systems and other public and private agencies representing mentally or developmentally disabled clients.

Service Requests. MHLP provides a full range of responses, including analysis of recent federal legislation and court decisions, discussion of strategies for representation of a mentally disabled client, technical materials and citations to research literature, referral to experts, and coordination with professionals and other advocates who may be working on similar issues.

Publications. MHLP publishes *UPDATE*, a bimonthly newsletter (usually four pages), which summarizes recent federal legislative and regulatory developments and Supreme Court decisions affecting mentally disabled people. *UPDATE* is funded by contributions of $20 or more; however, nonprofit organizations actively representing mentally disabled clients may request a free subscription. Another MHLP newsletter, our two- to four-page *ALERT*, is published on an irregular basis. It is sent to all who request inclusion on our mailing list.

Legal Rights of Mentally Disabled Persons, prepared by MHLP for the Practicing Law Institute, is a three-volume, 2,300-page training manual. MHLP will send a complimentary copy of this manual at the request of a LSC-funded program or state protection and advocacy agency. It is otherwise available for $45 from the Practicing Law Institute.

Training. MHLP staff attorneys welcome opportunities to participate in training conferences and workshops on mental disability legal issues sponsored by state, regional or local legal services; advocacy or service provider organizations; or state or local bar associations.

Litigation Assistance. MHLP will co-counsel cases in our priority areas (*see* section I, above) with legal services lawyers and private attorneys. In all cases related to MHLP attorneys' areas of experience, we will provide backup assistance, including review of pleadings and discussion of strategy.

Washington Representation. MHLP monitors federal legislative developments that will affect mentally disabled clients and provides timely information about the implications of such developments to legal services and other field programs. In addition, MHLP will provide Washington representation for eligible clients of legal services field programs, within the restrictions of the Legal Services Corporation.

Expert Testimony and Analysis. MHLP can provide or obtain technical expertise on issues surrounding diagnosis, evaluation, treatment, training and special education of children and adults with mental disabilities.

Access to Specialized Materials. MHLP provides model pleadings, copies of research papers and articles, bibliographies, and citations to other materials about specific matters related to mental or developmental disabilities.

Special Projects. MHLP staff welcomes inquiries about other kinds of assistance we might offer to assist lawyers and other advocates in representing mentally disabled poor people.

A special project operated by MHLP during 1984-86 will attempt to improve the availability of diagnostic, treatment and other services that will prevent or ameliorate developmental disabilities among preschool children from low-income families. We expect to focus on the Medicaid program, especially the Early and Periodic Screening, Diagnosis and Treatment Program (EPSDT), and Supplemental Security Income eligibility issues. Legal services programs and other advocates representing young children at risk of developmental disability are encouraged to contact MHLP.

III. COMMON TOPICS OF SERVICE REQUEST ASSISTANCE

- Abuse by Staff/Other Residents in State Institutions
- Access by Institutionalized Persons to Legal Representation
- Civil Commitment to a Mental Institution
- Community-Based Mental Health Care (Lack of Access)
- Consent to Treatment/Right to Refuse Treatment
- Drugs—Side Effects, Overuse and/or Polypharmacy
- Educational (and Related) Services for Handicapped Children
- Electroconvulsive Therapy ("Shock Treatment")
- Employment Discrimination
- Guardianship/Conservatorship
- Homelessness
  - Services and Access to Entitlements for Mentally Ill Homeless
- Housing Discrimination
- Insanity Defense
- Institutional Conditions
  - Lack of Treatment or Programming
  - Inadequate Staffing
  - Overreliance on Drugs
  - Abuse/Neglect
  - Shackling and Other Restraints, etc.
- Least Restrictive Alternative Requirement for Treatment
- Medicaid
  - Coverage for Mentally Ill
  - ICF/MR Regulations
- Medicare Regulations
- Nursing Home Conditions (Especially Lack of Mental Health Services)
- SSI and SSDI
  - Mental Disability Criteria
  - Procedures
- Vocational Education/Training
- Zoning (Against Group Homes)

IV. SERVICE REQUEST POLICY

Legal services and other attorneys are welcome to contact MHLP during normal business hours (weekdays, 9 to 5:30). We will respond as promptly as possible. Written requests, including copies of relevant documents, are preferable, but we are glad to handle telephone inquiries.

Requests for trainers should include an estimate of the number of participants anticipated in the training program and their level of experience.

V. STAFF AND STAFF SPECIALTIES

Norman S. Rosenberg, Director: Institutional Litigation; Community Services (Right to Treatment in the Least Restrictive Alternative); Special Education; Sterilization; Electroconvulsive Therapy; Commitment of Minors; Juvenile Litigation

Arlene S. Kanter, Staff Attorney: Access to Community Services; Homelessness Among Mentally Disabled People; Exclusionary Zoning; Employment and Housing Discrimination; Access to Justice for Institutionalized Mentally Disabled People; SSI Eligibility for Children; EPSDT

Leonard S. Rubenstein, Staff Attorney: Civil Commitment; Right to Refuse Treatment; Institutional Conditions; Insanity Defense; Employment Discrimination; SSI/SSDI; Access to Representation for Institutionalized People

Jane Bloom Yohalem, Staff Attorney: Institutional Litigation; SSI/SSDI; Special Education; SSI Eligibility for Children; Medicaid; EPSDT; Employment and Housing Discrimination; Exclusionary Zoning

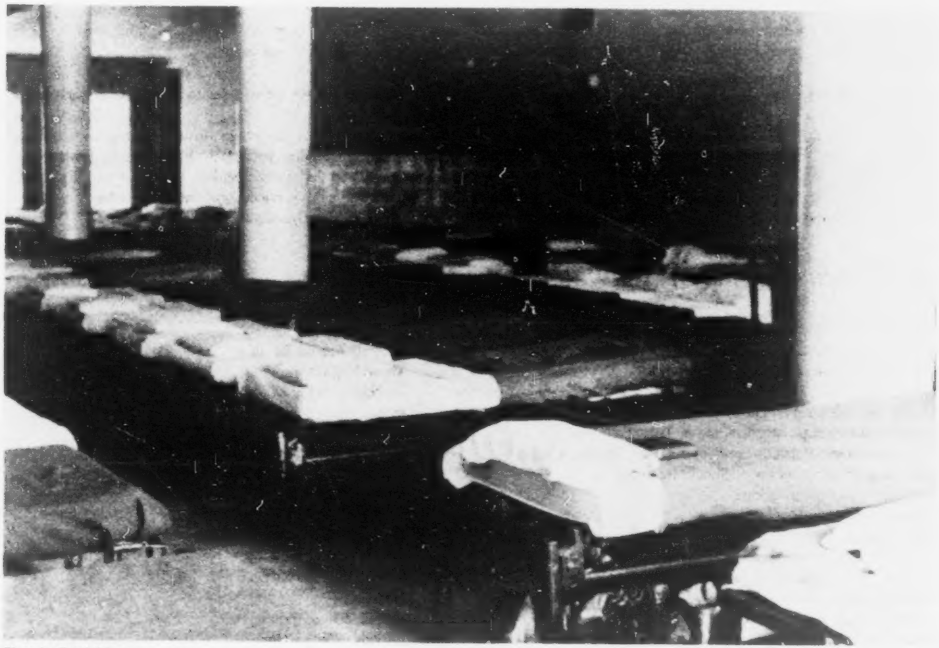


Photo by Carol Edstrom

MIGRANT LEGAL ACTION PROGRAM

2001 S Street, N.W.
Suite 310
Washington, DC 20009
(202) 462-7744

Since 1970, the Migrant Legal Action Program, Inc. (MLAP) has provided legal representation to migrant and seasonal farmworkers, the poorest group of working people in America. MLAP provides litigation support, training, resource materials and advice to 34 migrant legal services field programs serving farmworkers. MLAP also assists a number of other, less specialized legal services programs, private practitioners and farmworker groups in their representation of farmworkers. In addition, the MLAP staff is actively involved in federal court litigation and administrative advocacy, either directly or in conjunction with local legal services programs and/or the private bar. MLAP publishes the *Farmworker Law Manual* and a biweekly newsletter, the *Field Memo*.

I. PRIORITY AREAS

The MLAP staff concentrates special effort on six priority subject areas that have been identified by farmworkers and their advocates as being of greatest significance. These areas are:

(1) ***Farm Labor Contractor Registration Act (FLCRA)/Migrant and Seasonal Agricultural Worker Protection Act (AWPA).*** FLCRA was the major federal labor protective statute covering agricultural workers. During 1982, Congress passed new legislation, the Migrant and Seasonal Agricultural Worker Protection Act, which took effect in the spring of 1983. The new statute, which replaces the FLCRA, requires farm labor contractors, agricultural employers and agricultural associations to comply with basic workplace protections, including housing and transportation safety, and requirements concerning payroll and wage information. The statute specifically provides workers with a right of access to the federal courts to enforce these (and related) rights.

(2) ***Fair Labor Standards Act (FLSA).*** Though they are covered by the minimum wage provisions of the FLSA, most farmworkers are excluded from coverage for overtime pay. In spite of being protected by the law, many farmworkers are not paid the minimum wage.

The FLSA also contains prohibitions against child labor, although these prohibitions are less restrictive for agricultural workers than for workers in other industries.

(3) ***Foreign Workers ("H-2" Program).*** Under certain conditions, the Immigration and Nationality Act authorizes the importation of temporary foreign workers to fill shortages in the U.S. labor market. Thousands of workers are brought here each year from Mexico, Jamaica and other countries by agricultural employers, despite record levels of domestic unemployment. The effect of this program is to undercut agricultural wages and working conditions and to provide employers with workers who are incapable of protecting their statutory or contractual rights.

(4) ***Migrant Education.*** Migrant children have often been called the most educationally deprived children in America. More than 570,000 of these children participate in the federally funded Chapter I Migrant Education Program, which provides compensatory education and other special services. Because the program serves children who cross state boundaries, national monitoring and coordination of the program is vital.

(5) ***Pesticides.*** Farmworkers are frequently poisoned by pesticides at their work sites. The Federal Insecticide, Fungicide and Rodenticide Act (FIFRA) and state statutes regulating pesticide usage are rarely enforced. Moreover, because of inadequate medical care and diagnostic problems involved in proving that pesticides cause injuries, few farmworkers receive compensation for their suffering.

(6) ***Migrant Housing.*** The housing conditions of migrant and seasonal farmworkers have long been recognized as among the worst for any group in this country. Inadequate funding of the Farmers Home Administration farm labor housing program, local resistance to construction of such housing and racial discrimination have inhibited the provision of decent migrant housing.

II. COMMON TOPICS OF SERVICE REQUESTS

Beyond the priority areas, MLAP staff also respond to questions on the following subject areas where farmworkers are directly affected.

Access to Labor Camps and Workers
Child Labor
Civil Procedure
Civil Rights
Disaster Relief
Employment Service (Wagner-Peyser)
Labor
Migrant Health
Mechanization
OSHA
Peonage
Unemployment Insurance
Workers' Compensation

III. SERVICE REQUEST POLICY

Requests for assistance may be made by telephone or in writing. Please provide an indication as to any time constraints.

IV. STAFF

The current MLAP staff includes Stephen Nagler, executive director; four staff attorneys; four legal interns; a librarian; an office manager; three secretaries and a receptionist.

INDIAN LAW SUPPORT CENTER NATIVE AMERICAN RIGHTS FUND

1506 Broadway
Boulder, CO 80302-6296
(303) 447-8760

1712 N Street, N.W.
Washington, DC 20036-2976
(202) 785-4166

I. PROGRAM DESCRIPTION AND LIST OF SERVICES

Since 1971, the Native American Rights Fund (NARF) has operated the Indian Law Support Center (ILSC), the one national support center funded by the Legal Services Corporation to provide backup legal assistance and other vital services to 33 Indian legal services programs and components across the country. The services of the ILSC are also available to basic field program staff who may from time to time represent Indian clients with Indian law-related problems.

The current priorities of NARF and the ILSC include (1) preserving Indian tribal resources, including Indian religion, Indian ways and treaties; (2) protecting Indian tribal resources, including enforcing the federal trust responsibility; (3) assisting in the protection of human rights of Indian people, including education, health and prison reform; (4) ensuring accountability for Indian people on the part of tribal, state, federal and local governments; and (5) working for the development of Indian law, including the strengthening of important legal precedents, local resources and the dissemination of Indian legal information.

The Native American Rights Fund is recognized as one of the leading law firms--public or private—in the field of Indian law and the protection and preservation of the rights of individual Indians and tribes. The ILSC's delivery of services to Indian programs and components is particularly cost-effective because the full resources of NARF are at its disposal, including attorney staff, the National Indian Law Library and other resources, limited only by funding levels of the ILSC and of NARF.

The National Indian Law Library, a project of NARF, contains well over 5,000 legal documents relating solely to the field of Indian law. It is the largest single collection of such materials in the country. Copies of materials in the library's collection are available to Indian legal services attorneys free of charge. In the past, programs have also received the library's catalog free of charge.

The ILSC also publishes a monthly newsletter, the Indian Law Support Center *Reporter*. Through the *Reporter*, the ILSC provides information relating to significant developments in Indian law and legislation, as well as the exchange of ideas and information among Indian legal services programs. The *Reporter* is sent to over 350 Indian programs and attorneys, urban Indian centers, and attorneys in the private and government sectors.

The ILSC's delivery system consists principally of the following services: (1) letter and telephone advice on Indian law problems; (2) furnishing of legal and educational materials; (3) legal research; (4) direct archival research; (5) training on substantive Indian law matters; (6) field consultation; (7) review of court pleadings and briefs sent in from the field; (8) analysis of legislation; (9) assistance in locating expert witnesses and other consultants; and (10) limited assistance as co-counsel.

In sum, through this multifaceted delivery system, Indian programs' attorneys, most often in remote, isolated offices on or near reservations, are kept abreast of current legal developments affecting their respective client populations.

II. COMMON TOPICS OF SERVICE REQUESTS

The ILSC receives service requests on a broad variety of legal issues relating to Indians and Indian law, generally including the following:

1. The interpretation of various federal laws such as the Indian Child Welfare Act, the Indian Health Care Improvement Act, the Snyder Act, the American Indian Religious Freedom Act, the Indian Self-Determination and Assistance Act, the Indian Tribal Government Tax Status Act, to name a few;

2. The interpretation of various federal and state public entitlements laws such as social security, food stamps, and Aid to Families with Dependent Children, especially relating to Indian eligibility for said programs;

3. The application of various legal doctrines such as the federal Indian trust relationship to particular problems encountered by eligible Indian clients stemming from the unique legal and political relationship that exists between federal and state governments and Indians and Indian tribes.

III. SERVICE REQUEST POLICY

The ILSC strongly prefers service requests to be written due to the often complex nature of requests. Provision of services is on a first-come, first-served basis unless the exigencies of a particular case require otherwise and in all cases is dependent upon the availability of resources.

IV. PROFESSIONAL STAFF AND STAFF SPECIALTIES

Directors

John E. Echohawk, a Pawnee, is the Executive Director of the Native American Rights Fund. He was the first graduate of the University of New Mexico's special program to train Indian lawyers and was a founding member of the American Indian Law Students Association (AILSA) while in law school. Mr. Echohawk has been with NARF since its inception, having served as Deputy Director of NARF, 1972-73; Director, 1973-75; and Vice-Executive Director, 1975-77. He was appointed Executive Director in 1977. Mr. Echohawk is admitted to practice law in Colorado.

Jeanne S. Whiteing joined NARF in June 1975 as staff attorney in the Boulder office. Ms. Whiteing, a Blackfeet-Cahuilla Indian, has focused primarily on issues involving protection of land and natural resources. In May 1981, she was appointed Deputy Director of NARF. In addition to her duties as a staff attorney, she is responsible for case intake and litigation coordination. Ms. Whiteing is admitted to practice law in Colorado.

Steven C. Moore joined NARF as Director of the Indian Law Support Center and staff attorney in June 1983. He has worked as both staff attorney and managing attorney of the Indian Law Unit of Idaho Legal Aid Services. He has also been employed as an attorney with the Tribal Attorney's Office of the Confederated Salish and Kootenai Tribes of Montana. His special area of interest is natural resource law. Mr. Moore is admitted to practice law in Idaho, Colorado, the Ninth Circuit Court of Appeals and the United States Tax Court.

Staff Attorneys

Robert T. Anderson, a member of the Nett Lake Band of the Minnesota Chippewa Tribe, has recently joined NARF as a staff attorney. His areas of interest include economic development and natural resources. He is admitted to practice law in Minnesota.

Richard Dauphinais joined NARF as a staff attorney in June 1979. A member of the Turtle Mountain Chippewa Tribe of North Dakota, Mr. Dauphinais works in natural resource law and other areas. He is admitted to practice law in Colorado.

Walter R. Echo-Hawk, Jr., a staff attorney in the Boulder office, is a Pawnee from Oklahoma. For the past six years, he has concentrated his work at NARF in the field of Indian corrections. He has served as Co-Director of NARF's American Indian Religious Freedom Project and Director of the Indian Corrections Project. Mr. Echo-Hawk is admitted to practice law in Colorado and the United States Supreme Court.

Kim Jerome Gottschalk joined NARF as a staff attorney in August 1982. He was formerly with the law firm of Fettinger & Bloom in Alamagordo, New Mexico, and worked extensively on behalf of the nearby Mescalero Apache Tribe. He is admitted to practice law in New Mexico.

Yvonne T. Knight, a Boulder staff attorney, is of Ponca-Creek descent and a member of the Ponca Tribe. Ms. Knight was the first Indian woman law graduate of the University of New Mexico's Indian law scholarship program, and was a founding member of the American Indian Law Students Association. She was also a member of Task Force No. 9 of the American Indian Policy Review Commission. Since joining NARF, she has worked in Indian education rights, land and water rights, and was actively involved in the passage and implementation of the Menominee Restoration Act. Recently, her work has been concentrated on real property rights, including interests in rights of way and submarginal lands, and hunting and fishing rights. She is also working in the area of Oklahoma Indian rights. Ms. Knight is admitted to practice law in Colorado.

Arlinda F. Locklear, of the Washington, D.C., office, a Lumbee Indian from North Carolina, joined the NARF staff in August 1976. Since joining NARF, she has concentrated her work in the area of eastern Indian rights and Indian water rights. Ms. Locklear is admitted to practice law in North Carolina and the District of Columbia.

Don B. Miller is a staff attorney in the Boulder office. Before transferring to the Boulder office, he was Directing Attorney of NARF's Washington, D.C., office for almost three years. He works on a variety of issues, including land claims and tribal restoration. Prior to coming to NARF, Mr. Miller was the first director of the Organization of the Forgotten American, which provided legal, economic, consumer protection and health services to the Klamath Indians in Oregon. Mr. Miller is admitted to practice law in Colorado and the District of Columbia.

Robert M. Peregoy, a staff attorney in the Boulder office since June 1984, is a Flathead Indian of Pend d'Oreille descent. He is presently working in the area of water rights, oil and gas, and retrocession and federal recognition. Prior to attending law school, Mr. Peregoy was a tenured associate professor at Montana State University where he served as the Director of the Center for Native American Studies. Mr. Peregoy is presently awaiting results of Colorado Bar Examination.

Henry Sockbeson, a member of the Penobscot Tribe, works in NARF's Washington, D.C., office. He has previously worked as staff attorney and directing attorney for California Indian Legal Assistance. More recently, he worked with Abinati & Associates, specializing in Indian law. Mr. Sockbeson is admitted to practice law in California, the Ninth Circuit Court of Appeals and the U.S. Supreme Court.

Alma M. Upicksoun, an Inupiat Eskimo of Alaska, joined NARF as a staff attorney and research assistant in August 1983. Ms. Upicksoun will be working on Alaska-related issues, water rights and land claims. She is presently awaiting results of the Alaska Bar Examination.

Jeanette Wolfley, a Navajo/Shoshone-Bannock, joined NARF in August 1982 as a staff attorney in the Boulder office. She is admitted to practice law in Colorado.

Other Professional Staff

Anita Austin, a member of the White Earth Band of the Minnesota Chippewa Tribe, joined NARF in April 1983 as a technical writer.

Rose Brave, an Oglala Sioux of the Pine Ridge Reservation, joined NARF as a legal secretary in September 1980. In June 1984, she was promoted to office manager.

Mary Hanewall joined NARF in February 1981 as development officer.

Susan Rosseter Hart, controller and corporate treasurer, has been with NARF since 1971.

Marian Heymsfield joined the NARF staff as bookkeeper in January 1976 and was promoted to head bookkeeper in May 1978.

Marilyn Pourier, an Oglala Sioux of the Pine Ridge Reservation, joined NARF as a legal secretary in September 1981. In July 1982, she was appointed planned giving coordinator, a position established to provide assistance to donors on making wills and major lifetime gifts.

Deanna H. Waters, an Indian of Otoe-Missouria and Kiowa descent, became the librarian for the National Indian Law Library in August 1984.

Bryce M. Wildcat, a Pawnee-Euchee Indian from Oklahoma, joined NARF in September 1980 as a research assistant for the National Indian Law Library.

NATIONAL SENIOR CITIZENS LAW CENTER

1636 West 8th Street
Los Angeles, CA 90017
(213) 388-1381

1302 18th Street, N.W.
Washington, DC 20036
(202) 887-5280

I. PROGRAM DESCRIPTION

The National Senior Citizens Law Center (NSCLC) was established in 1972 to help older Americans live their lives in dignity and freedom from poverty. NSCLC pursues this goal by practicing law in support of legal services programs and on behalf of elderly poor clients and client groups.

NSCLC attorneys are conversant with a broad range of legal areas and practice matters that affect the security and welfare of older persons of limited income. Staff primarily lend assistance to attorneys and paralegals in LSC field programs in the provision of representation and support in these areas. Private attorneys representing LSC-eligible clients also receive assistance. The most frequent services provided by NSCLC are listed below.

II. SERVICES AVAILABLE

Litigation Assistance. NSCLC provides a comprehensive range of litigation support services including drafting of pleadings, appellate and amicus briefs; formulation of litigation strategies; preparation and execution of discovery plans; retention of expert consultants and witnesses; preparation and conduct of trials; and argument of motions and appeals.

Research and Consulting Support. Assistance includes providing authoritative citations, reviewing and analyzing pleadings, commenting on proposed litigation, assisting in the formulation of advocacy strategies, discussing tactical considerations, drafting opinion letters, and provision of memoranda, articles and other written materials.

National Policy Representation. The presence of an office in Washington, D.C., enables the Center to support the efforts of local program staff in representation of eligible clients before committees of the United States Congress and before federal departments and agencies whose decisions affect the elderly poor. Specific activities include oral and written testimony before congressional committees or staff, drafting and submission of comments on rules proposed by federal departments and agencies, and technical assistance to staff. NSCLC extends national policy representation only on the request of an official or in representation of a client to the extent permitted under applicable Legal Services Corporation law and regulations.

Manuals and Materials. The Center publishes and distributes a number of manuals, materials and periodicals dealing with the legal problems of the elderly poor. These include the *Washington Weekly* newsletter, which is distributed free of charge to all neighborhood offices of LSC-funded programs. The *Washington Weekly* is also distributed to a broad range of subscribers in the aging and academic communities. NSCLC also publishes the *Nursing Home Law Letter,* a monthly analysis of developments in long-term care under federal and state law. The Los Angeles office coordinates subscriptions to the SSI portions of the Social Security Administration's Program Operations Manual System.

Training. A limited amount of on-site training is available through the Center to legal services advocates and private attorneys representing indigent clients. The frequency and location of training is limited according to program resources. Requests for on-site training should be directed to the Center in writing with specific information on the nature of the subject to be covered and the size and advocacy experience of the group to receive training.

III. COMMON TOPICS OF SERVICE REQUESTS

- Age Discrimination Act
- Age Discrimination in Employment Act
- Alternatives to Institutionalization
- Area Agencies on Aging
- Attorneys' Fees
- Civil Service Retirement
- Client Confidentiality in OAA-Funded Legal Services Programs
- Coinsurance
- Congregate Meals
- Conservatorships
- Deeming of Income
- Disability—Social Security and SSI
- Due Process in Benefit Programs
- Duration of Stay Contracts
- Elder Abuse
- Eligibility for Benefit Programs
- Employee Retirement Income Security Act (ERISA)
- Employment of Older Workers
- Equal Access to Justice Act
- Guardianships
- Home- and Community-Based Long-Term Care
- Home-Delivered Meals
- Legal Services
- Litigation Strategies
- Mandatory Retirement
- Medicare
    - Reasonable Charge Allowances
    - Due Process Rights
    - Spell of Illness
    - Diagnostic Related Groups (DRGs)
- Medigap and Supplemental Health Insurance
- Nursing Homes
    - Residents' Rights
    - Medicaid Discrimination
    - Survey and Certification
    - Relative Responsibility
    - Family Supplementation
    - Involuntary Transfers
- Nursing Home Discrimination Against Medicaid Recipients
- Nutrition—Elderly Programs
- Older Americans Act Programs
- Older Women's Equity
- Overpayment of SSA or SSI Benefits
- Private Pensions
- Protective Services
- Public Pensions
- Railroad Retirement
- Relative Responsibility
- Representative Payees
- Retirement Equity Act
- Social Security
- Supplemental Security Income
- Transfer of Assets

IV. SERVICE REQUEST POLICY

NSCLC responds to 4,000 individual requests for assistance annually. Requests may be made by telephone or by mail. The Center responds to all requests from legal services attorneys and paralegals, and private attorneys representing indigent clients for research and strategic assistance on matters they are handling on behalf of elderly clients. The role of NSCLC staff in litigation assistance to legal services programs depends almost entirely on the degree of Center involvement desired by the local program requesting help. NSCLC is available to serve in a purely supportive or advisory capacity, as active co-counsel, or as lead counsel.

V. STAFF SPECIALIZATION

NSCLC attorneys specialize in priority areas having frequent impact on the elderly poor. These areas and staff specialists are described below.

Social Security and Supplemental Security Income. NSCLC is involved in a variety of strategies designed to address the problems faced by elderly and disabled social security and SSI beneficiaries. The Center serves as co-counsel in lawsuits challenging various policies and practices of the Social Security Administration and serves in a consultant role in numerous other cases. The Center regularly comments on proposed regulations on behalf of clients and is asked to assist members of Congress and appear before congressional committees to address problems in social security and SSI. Working with local legal services staff, NSCLC monitors and documents various SSA practices. NSCLC responds to requests for assistance on all issues affecting elderly and disabled social security and SSI beneficiaries. The Center also publishes disability advocates' informational mailings, which are available to legal services programs for a subscription fee applied toward postage and copying expenses. (Eileen Sweeney, Washington; Bruce Fried, Washington; Peter Komlos-Hrobsky, Los Angeles.)

Medicare. NSCLC offers technical assistance with Medicare claims and appeals on Part A benefits (including hospital DRG issues), skilled nursing facility "level of care" issues, home health coverage issues, Part B benefits (including "reasonable charge" allowances), "medical necessity" issues, and durable medical equipment issues. Litigation assistance focuses on procedural issues including federal jurisdiction, notice and hearing rights, use of agency manuals, and coverage of particular services. Assistance is also available on Medi-Gap issues and Medicare-Medicaid dual eligibility issues. Training materials and consumer education handouts are available. (Sally Wilson, Los Angeles; Bruce Fried, Washington.)

Medicaid. The Center litigates against state and federal authorities primarily with respect to expanding Medicaid eligibility and scope of benefits; particular emphasis lies on the most effective ways of utilizing resource rules and on income distribution between spouses. Responses to field program inquiries range over a broad area of eligibility issues, with emphasis on propriety of state rules in light of federal statutory requirements. (Gill Deford, Los Angeles.)

Nursing Home Residents' Rights. Technical and strategic assistance is provided in patient transfer cases, with issues involving patients' rights, with litigation concerning quality of care, with policy representation at the federal level (patients' bill of rights) and before state legislatures and administrative agencies, with an increased focus on legislative and regulatory methods of expanding access to nursing home care for Medicaid recipients. The Center continues to publish the *Nursing Home Law Letter.* (Toby Edelman, Trish Nemore, Washington.)

Alternatives to Institutionalization. NSCLC is involved in a multi-disciplinary approach to creating new and augmenting existing alternatives to institutionalization, including litigation, legislative advocacy and education. The Center is involved in suits that seek to declare and implement the rights of the elderly (including the mentally ill and the developmentally disabled) to community-based medical and social services. NSCLC seeks assistance that enables the elderly to live in their own homes or in situations of their choice instead of being forced into institutions such as state mental hospitals, retardation facilities, board and care homes, and nursing homes. (Peter Komlos-Hrobsky, Los Angeles.)

Private Pensions. The Center provides research, strategic advice and litigation assistance in connection with retirees' claims for benefits from private pension plans. Major efforts in pension rights litigation emphasize enforcement of rights guaranteed by the Employee Retirement Income Security Act (ERISA) and securing greater equity for women and minorities in the operation of private pension plans. (Neal Dudovitz and Gill Deford, Los Angeles.)

Public Pensions. Activities include constitutional litigation to bring basic procedural due process guarantees into the public pension arena and investigation of strategies to improve cost-of-living protection available to retirees dependent on fixed public pension income. Extensive assistance is provided on problems arising under the Railroad Retirement Act, federal civil service and other public pension programs. (Gill Deford, Los Angeles.)

Age Discrimination and Mandatory Retirement. The Center concentrates assistance on implementation of the Age Discrimination Act of 1975 and the prohibition of age discrimination in programs and activities receiving federal financial assistance. NSCLC also assists on age discrimination in employment issues, especially on behalf of low-income workers affected by mass layoffs, transfers and plant closings. (Burton Fretz, Washington.)

Older Americans Act Services. The delivery of services to older persons in the greatest economic and social need, as provided under Title IIIB of the Older Americans Act, brings frequent requests for information and assistance. Such services include delivery of legal services, transportation and home-delivered meals through state and area agency networks. Frequent questions also include the integration of Older Americans Act legal services delivery with delivery under the Legal Services Corporation Act. (Bruce Fried, Washington.)

Protective Services. The Center analyzes traditional procedures governing the creation of guardianships and conservatorships with special emphasis on due process protections for persons who are subjects of such proceedings and on the least restrictive alternatives available to achieve necessary protection for them. (Neal Dudovitz, Los Angeles.)

V. STAFF

Washington D.C. Office

Burton D. Fretz, Executive Director
Toby S. Edelman, Staff Attorney
Bruce M. Fried, Staff Attorney
Patricia Nemore, Staff Attorney
Eileen P. Sweeney, Staff Attorney

Los Angeles Office

Neal S. Dudovitz, Directing Attorney
Gill Deford, Staff Attorney
Peter S. Komlos-Hrobsky, Staff Attorney
Sally Hart Wilson, Staff Attorney
Gordon Dixon, Administrator

NATIONAL SOCIAL SCIENCE AND LAW CENTER

1825 Connecticut Ave., N.W.
Washington, DC 20009
(202) 797-1100

The National Social Science and Law Center is part of the support center network funded by the Legal Services Corporation. The Center's major function is to provide empirical data and social science research services in support of client representation. We offer a variety of methodological and technical services in a range of social science disciplinary areas. Attorneys and paralegals who are new to the legal services program may not be familiar with the types of assistance the Center offers; this summary of available assistance, therefore, includes examples from our current work.

I. RESOURCES

Assistance from the Center includes work in response to requests from field attorneys, preparation and distribution of training materials and research reports on issues of concern to the client community, referrals to consultants and experts, and preparation of materials for submission to courts or public hearings. The Center has its own computer data processing capabilities and library, and has access to major public-use computer and bibliographic resources. These resources are available on request to legal services programs and to attorneys cooperating in private bar involvement efforts. Center staff will provide consultation on technical and methodological issues, advise on data collection methods, process and summarize quantitative information, conduct bibliographic searches, or refer to other experts.

In addition, depending on current priorities, the Center disseminates information to the field and prepares training materials and research reports on issues of concern to the poor. Each year the Center surveys field programs on their substantive priorities and needs for research support and sets its priorities accordingly. Requests from the field in these areas will receive higher priority than those in other areas. When it is not possible to respond fully to a specific problem, we are usually able to offer a limited amount of help and make referrals to other organizations.

Requests for Assistance. Staff are available to discuss legal services cases by telephone. These discussions usually involve assessments of the appropriateness of social science data to the case or issue, the availability of research reports, the question of class definition, methods of estimating class size, and exploration of possibilities for analyzing defendants' files. We do, however, request explanatory letters following these preliminary telephone discussions.

Written requests for assistance should include all of the following materials when applicable: (1) a description of the legal issue; (2) a statement of the type of assistance needed; (3) copies of briefs, complaints, applicable regulations or proposed rules; and (4) other supporting documents. These "other" documents may include a variety of things. For example, descriptions of the filing systems used by a public agency are necessary in order to define a sampling frame for choosing a statistically valid sample from the files. In the case of a class action, data on the size of the class and a description of the sources of the figures are valuable. We often need a copy of the original client intake form for a program or agency in order to assess the use of the program's computerized data base for either choosing a sample or describing the characteristics of the agency's client population. In certain types of requests, we may need detailed maps of the city or jurisdiction in order to more quickly find appropriate census tract or block numbers. These numbers can, in turn, assist in demographic analyses of labor force participation rates, descriptions of available minority workers, income distributions of residents in specific areas of cities or counties, or descriptions of the local population below poverty income guidelines. When the Center is asked to conduct analyses involving computerized data or to do data processing, we may ask the local program to cover added data entry personnel costs.

Many requests involve the use of discovery techniques to obtain quantitative information. In these instances, copies of the responses to previous requests for production or interrogatories, descriptions of defendants' data files, and methods of obtaining information from clients are likely to be needed.

The Center is sometimes asked to work with a local consultant or to evaluate her or his work for submission in argument. For these requests, we need a copy of the contract or letter used to engage the consultant and copies of both the reports and the source documents used for data analysis. In situations where we are asked to evaluate a survey done by the consultant or survey firm, we need the report, a copy of the survey or data collection instrument, and any appendices referred to in the report but not published with it.

In summary, telephone inquiries are welcome as first steps in assessing the potential help the Center may offer. Subsequent written requests for assistance are required; these should include the kinds of supporting documents described above. The need for affidavits or research summaries to be submitted in court is usually discussed at this time. Any court or other deadlines should also be mentioned.

To illustrate the Center's services more concretely, this year we have given the following assistance:

- We devised a data-collection form for a local program investigating allegations of consumer fraud, and are completing a computer analysis of data on the transactions.
- We are analyzing hiring and promotion data in an employment discrimination case.
- Center staff have attended discovery conferences with data processing officials from the Social Security Administration in order to agree upon a plan to collect data on delays in processing SSI checks.
- We have prepared estimates of the number of elderly persons likely to become part of the caseload in a new program designed to treat elderly abuse cases.
- We are assisting in an empirical analysis of General Relief terminations and appeal decisions.

Referral to Consultants and Expert Witnesses. The Center staff will assist programs in finding local consultants and experts trained in specific areas of social science and other expertise. In these instances, it is most important that the requester be as specific as possible about the types of assistance needed and the area of expertise most appropriate to the case. For example, stating that someone is needed with expertise in "the family" is not sufficient. A sociologist may specialize in family structure, an economist in family economics and microeconomic theory, and a demographer in family fertility patterns. When it is unclear which type of expertise is needed, discussions between the attorney and several different specialists usually clarify the questions.

Preparation of Training Materials and Research Reports. Many of the cases the Center has been involved in have resulted in monographic reports and methodological summaries. For example, work for *Blum v. Bacon* is summarized in *Functions of Welfare: A Review of Longitudinal Data on AFDC Clients*. Reviews of government evaluations of work requirements in public benefit programs are described in *Work Requirements and Welfare: A Summary of Selected Literature*. *Profiles of the Poverty Population* is a reference manual listing demographic characteristics of the low-income population in each state. Other examples are described in our annotated publications list.

Recent methodological papers and reports include *Discovery and the Use of Quantitative Data*, a manual on the use of discovery techniques in litigation involving computerized information and *A Guide to Conducting A Cost-of-Living Study*, which is both a guide to these studies and a valuable source for programs wishing to critique standards-of-need research used to establish AFDC standards. Previous articles in the *Clearinghouse Review* have described data analysis techniques useful for litigation; examples are *The Use of Secondary Data Analysis in Litigation Support*, 16 Clearinghouse Rev. 326 (Aug./Sept. 1982) and *Assessing AFDC Standards of Need*, 16 Clearinghouse Rev. 126 (June 1982).

Bibliographic Assistance. The Center's library of government documents and reports as well as our Dialog database search capabilities are accessible to legal services programs in need of either specific references to documents or more comprehensive bibliographic searches. Requests for these searches should be as specific as possible and should include, in addition to a detailed description of the subject matter, both the time period to be covered in the search (*e.g.*, research completed during the past two years) and the types of literature needed.

II. COMMON TOPICS OF REQUESTS FOR ASSISTANCE

The following is a list of the most common request topics received by the Center. Field staff are encouraged to call us about quantitative questions they may have in other areas.

- Income Maintenance Programs
  - Assessment of the Impact of Changes in Eligibility Regulations
  - Analysis of Client and Eligible Populations
  - Demographic Characteristics of Recipients
- Cost-of-Living Estimates
  - Data on State and Regional Estimates of Cost of Living
  - Comparisons with AFDC Need Standards
  - Information about the Bases for Need Standards
  - Uses of Survey Methodology in Assessments
- Demographic Information on Low-Income and Poverty Populations
  - Poverty Totals and Rates for Sub-Groups
  - Regional Estimates
  - Changes in Poverty Population Rates and Characteristics
- Technical Assistance
  - Advising on Social Science Research Methodology and Sampling Designs
  - Statistical Evaluations
  - Referrals to Other Research Organizations and Technical Experts
  - Analysis of Computerized Primary or Secondary Data
  - Class Size Estimates
- Program Operation Analysis
  - Reviews of Federal and State Agency Data on Unemployment Insurance, AFDC, Medicaid, Food Stamps, General Assistance and Other Social Insurance and Maintenance Programs

III. RECENT PUBLICATIONS

The following publications are available without charge to legal services program offices. A list of shorter research summaries, case memoranda and affidavits is available upon request. Prices indicated below are applicable to organizations not funded by Legal Services Corporation. Orders must be prepaid. Include a postage and handling charge of $1.00 for orders of 50 pages or less and $2.00 for more than 50 pages.

Profiles of the Poverty Population, 1970-1980 (Staff, rev. 1984). 75 pp. $8.00. This compilation of census information contains descriptive data on the poverty population for each of the 50 states, the District of Columbia, the United States and each of the legal services regions. The report is designed for those in need of a concise source of information concerning poverty characteristics for persons, families and subgroups. It includes total and percent poor (by person and family); percent of poor persons who are children, elderly, white, black and of Spanish origin; percent of poor families with children, elderly householders, female householders, and female householders with children; and percent of persons below 125 percent of the poverty level. In addition, median family income by race and Spanish origin and percent of households receiving public assistance are provided.

Estimates of Benefits Associated with Field Sanitation Standards (Linden, 1984). 23 pp. $5.00. The Occupational Safety and Health Administration recently issued proposed field sanitation standards to cover certain groups of farmworkers, involving provision of toilets, hand washing facilities and drinking water. The costs to growers of providing these facilities were also reported in a study commissioned by OSHA. This report focuses on estimates of benefits to result from improved field sanitation standards. The estimates are based on calculations of future savings in personal and governmental health care expenses for the target population, reductions in lost wages experienced by farmworkers, and savings to producers in reduced productivity costs. Savings are estimated for four different conditions and range from $7.8 to $32 million annually.

Public Assistance Benefits and the Cost of Living in New Hampshire (Tomlinson & Rafter, 1983). 36 pp. plus 12 app. $6.00. This report evaluates the adequacy of public assistance in New Hampshire, using two approaches. It analyzes the extent to which AFDC standards have kept pace with increases in the cost of living and compares the current state need standard with several governmental budgets designed for low-income families. The report describes the assessment methodology and the components of two officially recognized measures of the cost of living, comparing these components to those used in developing the state need standard. The study also analyzes primary data on the results of pricing a wide variety of items in Carroll County.

Functions of Welfare: A Review of Research on AFDC Households (Emsellem & Linden, 1983). 32 pp. plus 10 app. $6.00. This report examines the results of the empirical research on AFDC recipients' welfare use over time. It describes the sources of data used in welfare dependency research and reviews the research findings from the longitudinal data from the University of Michigan's *Panel Study of Income Dynamics*. Most AFDC recipients were found to rely on benefits for short periods of time and for less than one-third of their total income. The contribution of earnings to this group's total income is compared to that found for nonrecipient low-income families. The report also addresses the implications that recent regulatory changes in the AFDC program may have on the future recipient population. The appendix to the report examines the data on welfare fraud and discusses common misinterpretations of welfare quality control data.

The Cost of an Adequate Living Standard in New Jersey: An Update (1983). 11 pp. $3.00. This publication presents an analysis of price changes in the family budgets described in the 1980 report, *The Cost of an Adequate Living Standard in New Jersey* (*see* description below). Methodologies for updating medical care, transportation, food, housing and other necessities are described and applied to budget component changes between 1980 and 1983. Differential cost changes are shown for five family types.

A Guide to Data on Public Benefit Programs (Emsellem, 1982). 29 pp. $5.00. This is a reference guide that describes the statistical sources for the major federal income maintenance and health programs and state general assistance programs. The sources discussed include surveys of participant characteristics, quality control studies and routinely issued agency reports. The guide also contains names of specific federal offices and individuals who can provide additional assistance in locating documentation. The programs covered are Aid to Families with Dependent Children; Supplemental Security Income; Food Stamps; Supplemental Food Program for Women, Infants and Children; Old-Age Survivors and Disability Insurance; Medicare; Medicaid; and General Assistance.

Workfare in Theory and Practice (Linden & Vincent, 1982). 63 pp. $7.00. One response to the welfare "crisis" has been the implementation of workfare, a state option to require food stamp recipients to work off their benefits in public service assignments. This report reviews various workfare requirements and presents the results of a field study conducted in one of the workfare demonstration sites in Virginia. Implications of workfare programs for public benefit recipients are summarized.

Work Requirements and Welfare: A Summary of Selected Literature (Emsellem, 1981). 41 pp. $6.00. The state option to require welfare recipients to pay off their benefits through workfare has caused intense debate over the value and effects of the work requirements. This report summarizes information from research on the results of past work-for-relief programs and related welfare issues. The publications described cover three areas: (1) characteristics of welfare recipients, including their employability and attitudes toward work; (2) studies and evaluations of welfare, work requirements and employment-related programs; and (3) analyses of options for reform of work-related welfare policy.

A Critique of the Medicare Part B Economic Index (Tomlinson, 1981). 55 pp. $7.00. This study analyzes physician reimbursement under Medicare, the origins and effects of the Medical Economic Index or MEI (which limits physician fee coverage), and reactions to and structure of the MEI. The MEI, which has been the subject of much controversy since it was introduced in 1975, has increased at a much slower pace than physicians' fees or inflation in general. The report analyzes specification errors, proxy variables, and regional and specialty-specific indexes and shows that the MEI contributes to increased beneficiary liability and reduced access to medical care among Medicare patients.

The Cost of an Adequate Living Standard in New Jersey (Staff, 1980). 82 pp. $8.00. Conducted in preparation for litigation on needs standards, this study investigated the cost in 1980 of maintaining a minimally adequate standard of living in New Jersey. It demonstrates that the cost of the goods and services needed to achieve a minimum living standard far exceeds both the poverty line and federal-state public benefit levels. The report describes derivations of budget components, the pricing survey conducted in a sample of communities throughout the state, and the relationship between cost-of-living measurements and public benefit levels for several types of family households.

Assessing AFDC Standards of Need (Emsellem, 1982). 7 pp. $2.00. This paper describes how to evaluate AFDC need standards, using officially recognized procedures and budget plans developed by the federal government. The methods demonstrate how to (1) identify the extent to which the standard has kept pace with increases in the cost of living; and (2) compare the need standard used with several alternative budgets designed for low-income families.

Sources of Statistical Information on the Low-Income Population (Sadove, 1981). 41 pp. $6.00. This paper is an overview of publications containing data of use to organizations dealing with poverty and low-income populations. The annotations describe both general statistical sources on low-income populations (primarily Census Bureau publications) and more specialized materials dealing with populations receiving public benefits. Included are references to publications on topics such as health, housing, unemployment and minorities; these publications all include data on low-income individuals and families. The purpose is to assist advocates for the poor in utilizing the most relevant population data and other statistical materials.

Race, Socioeconomic Status, and Competency Testing (O'Hare, 1980). 23 pp. $4.00. This report was prepared for use in a court challenge to the use of competency testing programs in Florida. It analyzes the correlates of test scores, including minority status and socioeconomic indicators, and discusses the implications such use of tests may have on perpetuating racial discrimination and inhibiting occupational, social and economic mobility.

A Report on the Western Kentucky Legal Services Need Assessment Survey (Vincent, 1980). 61 pp. $7.00. Under Legal Services Corporation regulations, recipients of Corporation funds must develop a method of priority-setting based in part on the assessment of needs of their client communities. This report describes a legal needs survey conducted by Western Kentucky Legal Services and the survey's results. The study demonstrates the abundance of legal needs among persons in the client population, the kinds of problems encountered by the poor, and the relative frequency of the various types of problems among different household types.

Following is a list of training materials and manuals that are also available from the Center.

Discovery and the Use of Quantitative Data (Linden, 1984). 70 pp. $27.00. This manual, on obtaining relevant and useful computerized quantitative data using discovery techniques, summarizes basic descriptive statistical methods, the procedures agencies normally follow in computerizing client and program data, and the use of various discovery techniques during different stages of investigation, including examples, illustrations and a glossary.

A Guide to Conducting a Cost-of-Living Study (Dean & Tomlinson, 1982). 130 pp. $15.00. Cost-of-living studies measure the amount of income required to maintain a given standard of living. This manual explains how to evaluate a cost-of-living report and describes the major processes involved in conducting such a study. It includes comparisons of various methodologies used to estimate the cost of living, descriptions of data sources, instructions on constructing budgets for varying household types, and data collection forms.

Using the Consumer Price Index to Adjust Public Benefit Levels (Altman, 1981). 15 pp. $4.00. Many state benefit payment levels are not regularly adjusted for inflation in accordance with increases in the cost of living. This paper explains the Consumer Price Index and its components, demonstrates its use in showing the effects of inflation on purchasing power, and shows how to calculate the total and partial benefit payment increases required to compensate for inflation.

Presenting Numbers Clearly in Judicial and Other Public Hearings: Trainer Guide (Whilden, 1984) 103 pp. $12.00. Available from the Clearinghouse, No. 35,969. This training manual is designed for presentations on identifying sources of quantitative data on specific issues, evaluating and selecting the best numerical information, interpreting and reporting data, and communicating numbers effectively. Illustrations, exercises and activity descriptions are included.

Using Consultants and Experts Effectively in Legal Services: A Desk Reference (Skolnick, 1984). 68 pp. $12.00. Available from the Clearinghouse, No. 35,970. This manual describes how to define the types of assistance and experts needed, evaluate and work with expert consultants, and improve the use of consultants. Organizational listing and reference materials are included.

Budget Analysis as a Monitoring Technique: Training Guide and Resource Materials (Henson, 1984). 120 pp. $12.00. Available from the Clearinghouse, No. 35,968. This training manual of readings and exercises in basic budget evaluation techniques includes exercises on typical budget structures, evaluation of line-item changes, and use of independent sources to evaluate budget changes and effects. Illustrations and examples are also included.

IV. STAFF

Leonard H. Goodman, Director
Barbara H. Linden, Research Associate and Deputy Director
Anne B. Wicks, Research Analyst

Lee M. Breslau, Research Assistant
Carla Caro, Research Assistant
Shirley Fay Epps, Administrative Assistant

CENTER ON SOCIAL WELFARE POLICY AND LAW

95 Madison Avenue
New York, NY 10016
(212) 679-3709

1029 Vermont Ave., N.W.
Washington, DC 20005
(202) 347-5615

The Center on Social Welfare Policy and Law, a legal services national support center, is the only national law office that deals exclusively with the needs-related cash assistance programs: the federally supported Aid to Families with Dependent Children (AFDC) program that aids approximately 11 million needy children and their caretaker relatives; the federally administered and mainly federally funded Supplemental Security Income (SSI) program that aids 4 million aged and disabled adults and disabled children; and the state and local General Assistance programs. Since its founding in 1965, the Center, working together with local legal services programs, has played a major role in litigation that has established significant rights for welfare recipients. The Center's major activities include direct representation of eligible clients as counsel and co-counsel, legal assistance to those representing eligible clients, and distribution of written materials to legal services staff and poor people's organizations.

I. AVAILABLE RESOURCES

Generally, the Center's services are available, within the limits of its resources, to legal services advocates, members of the private bar who are representing eligible clients on welfare matters, and poor people's organizations. The Center provides the services described below in a manner consistent with applicable limitations governing legal services programs.

> ***Litigation.*** The Center is available to represent clients in cases raising major issues of welfare law within its priorities. We welcome inquiries about the possibility of participating in litigation. The Center's participation may be as co-counsel, counsel, of counsel, or, in limited cases, "on the brief." Most of the Center's involvement in litigation over the years has been as co-counsel with local legal services programs. The Center's role as co-counsel varies according to the decision of both the Center and the local program as to what is best under the circumstances of a particular case. For example, the Center might prepare parts or all of significant briefs or might assume principal responsibility for a case. When the Center appears as sole counsel, the case is usually one in which the client is a welfare recipient organization and the defendant is the federal government. In cases where the Center provides significant assistance but does not assume ongoing responsibility for a case, we may appear as "of counsel." In cases where the Center's role is limited to a minor issue, we may appear "on the brief." The Center generally does not appear as amicus in a case. In rare cases, it may file an amicus brief on behalf of a client.
>
> As part of its ongoing service work, the Center also provides legal assistance in a large number of cases in which it has no formal role. The Center attempts to give a helpful response to each request, but the extent of assistance depends on our resources and is necessarily more limited than the assistance given when we are counsel.

Service Requests. An important part of the Center's work is responding to requests from local legal services advocates and members of the private bar who represent eligible clients. The Center welcomes such requests and tries to give a prompt and useful answer to each. The extent of the response depends on whether the inquiry falls into one of the Center's priority areas and on the volume of pending work.

Work on Administrative and Legislative Matters. To the extent permitted by applicable law, the Center provides representation and assists those providing representation on major administrative matters concerning the development, interpretation, implementation and enforcement of federal welfare policy and engages in work on pending legislation.

Publications. The Center distributes written information and advice to legal services advocates, members of the private bar who represent eligible clients and poor people's organizations. The Center's publications include the following.

> *Library Bulletin*, including the quarterly and annual cumulative *Index and Summary of Cases Reported in the Library Bulletin*. The *Library Bulletin* describes recent publications and court decisions concerning public assistance received by the Center's library. It is available by subscription.
>
> *Reference and Statistical Sources in Legal Research in Public Assistance Programs*. Issued twice yearly. Single copies free; contact the Center for costs for bulk shipments. Also available from the Clearinghouse, No. 30,211.
>
> *Beyond the Myths: The Families Helped by the AFDC Program* (1983). Basic statistical information about families receiving AFDC and responses to popular misconceptions about AFDC. $1.75 each. Discounts for large orders; up to 10 free copies for welfare recipient organizations (request order form).
>
> Memoranda on AFDC, child support, SSI and other public assistance issues. A list of such memoranda is available from the Center. Single copies free; contact the Center for costs for bulk shipments.
>
> *Welfare Fraud: Possibilities for Advocacy by Legal Services Programs* (Feb. 1981). 162 pp. $5.00. Also available from the Clearinghouse, No. 31,486.
>
> *Veterans Pensions: Prospects for Advocacy by Legal Services Programs* (Sept. 1981). 140 pp. $5.00. Also available from the Clearinghouse, No. 31,685.
>
> The Center also writes articles on various issues of current importance in welfare for the *Clearinghouse Review*. Recent articles include *Joint Custody Arrangements and AFDC Eligibility*, 18 Clearinghouse Rev. 2 (May 1984); *Welfare*, 17 Clearinghouse Rev. 989 (Jan. 1983) (discussion of developments in welfare law during 1983); and *The Forgotten Program for Two-Parent Families: AFDC Based on Incapacity*, 18 Clearinghouse Rev. 354 (Aug./Sept. 1984).

Training. The Center staff is available to participate in statewide, regional and national training sessions on welfare law for legal services advocates and members of poor people's organizations.

II. PRIORITY AREAS FOR CENTER WORK

The Center's priorities for work are developed in consultation with those who receive the Center's services: legal services advocates, members of the private bar representing eligible individuals and poor people's organizations. The Center's current work is concentrated on the following issues.

- Assumptions of income (including lump sum income)
- Child support enforcement program (including issues related to joint custody)
- Hearings (including delays)
- Incapacity
- Needs standards and benefit levels, including resource limits
- Procedures for determining eligibility, verifying eligibility (including monthly reporting), recovering overpayments and closing cases
- Retrospective budgeting
- Work programs and requirements

III. SERVICE REQUEST POLICY

When possible, requests, including requests for Center participation in litigation, should be made in writing and should be accompanied by a full explanation of the facts, any relevant documents and a report on the status of the requester's research on the issue. When time is short, requests may be made by telephone. All requests should be directed to the New York office. To avoid unnecessary duplication of effort in responses, we ask that the same request not be sent to both the Washington and New York offices.

Requests for Center participation in training or for information concerning publications should also be directed to the New York office.

IV. PROFESSIONAL STAFF

New York Office

Timothy Casey
Henry Freedman, Director
James W. Johnson
Sherry Leiwant
Mary R. Mannix

Washington Office

Adele M. Blong, Associate Director
Barbara Leyser

V. BOARD OF DIRECTORS

The Center's Board of Directors consists of lawyer and client representatives. All board members have a history of involvement in legal representation on welfare issues, either through service as attorneys in, or board members of, local legal services programs, or as members of poor people's organizations.

Attorney Members

Jean Cary, University of North Carolina Law School, Chapel Hill, NC
Lawrence Gardella, Alabama Legal Services, Montgomery, AL
Marilyn Kaplan, Orrick, Herrington & Sutcliffe, San Francisco, CA
Stephen Kass, Berle, Butzel, Kass & Case, New York, NY
William Kuntz, Shearman & Sterling, New York, NY
Yvonne Lewis, Community Legal Assistance Corp., Hempstead, NY
Carroll Lucht, University of Iowa College of Law, Iowa City, IA
Cynthia Mann, Rhode Island Legal Services, Providence, RI

Client Representatives

Regina DeMaris, Poor Peoples' Congress, Mason City, IA
Ruby Grace, New Jersey Welfare Rights Organization, Newark, NJ
Amy Parks, United Peoples Welfare Rights Organization, Fairmont, WV
Shirley Smith Peoples, Franklin County Welfare Rights Organization, Columbus, OH
Nezzie Willis, Chicago Welfare Rights Organization, Chicago, IL

NATIONAL VETERANS LEGAL SERVICES PROJECT

2001 S Street, N.W.
Suite 702
Washington, DC 20009
(202) 686-2741

I. DESCRIPTION OF PROGRAM

The National Veterans Legal Services Project, Inc. (NVLSP) is a national support center funded by the Legal Services Corporation to provide support services to legal services field programs. It was established in 1981 following the Legal Services Corporation study made pursuant to section 1007(h) of the LSC Act on access and legal problems of veterans and other groups.

NVLSP staff are familiar with a wide range of substantive areas of law that affect veterans and their dependents. Particular areas of expertise include the benefit system and other programs administered by the Veterans Administration (VA); VA procedures and VA advocacy; military discharge upgrading; correction of military and VA records; unemployment compensation for those leaving military service; government collection or recoupment of alleged overpayments; and posttraumatic stress disorder.

II. AVAILABLE RESOURCES

The following is a list of services available from NVLSP. We urge you to contact us regarding your needs for assistance with veterans' law matters.

Requests for Assistance. NVLSP attorneys are available to discuss legal services cases on the telephone or in response to letters. NVLSP answers hundreds of inquiries a year. We welcome requests about individual and routine matters as well as requests on more complex issues.

In response to requests for assistance, we often provide a description of various possible approaches to a client's problem, an assessment of the likelihood of success on the merits of particular issues, as well as strategic and procedural considerations that may be useful in providing effective representation. We also provide draft pleadings and briefs, copies of unpublished agency guidelines, regulations and court or agency opinions, and analyses of various legal issues that frequently arise in certain kinds of cases.

Publications. In conjunction with the Veterans Education Project, NVLSP publishes the *Veterans Rights Newsletter*, which discusses recent significant developments in veterans' law. *Veterans Rights Newsletter* contains sections devoted to lawsuits, resources, regulations and substantive areas of interest like Agent Orange and posttraumatic stress disorder. LSC program offices can subscribe to *Veterans Rights Newsletter* at a minimum charge.

Each LSC field office has been provided with a copy of the *Military Discharge Upgrading and Introduction to Veterans Administration Law*, a manual published in 1982. A supplement is currently being written. Also available from NVLSP is a 640-page manual devoted exclusively to VA programs and VA advocacy. This latter manual was published in 1984 and is available at cost from NVLSP.

Issues of the *Veterans Rights Newsletter* provide periodic updates of both the *Discharge Upgrading Manual* and the VA advocacy manual. NVLSP also writes articles of interest for publication in the *Clearinghouse Review*.

Training. NVLSP provides training materials, trainers and planning assistance to local programs. Let us know if you need help with training.

Co-Counsel and Other Litigation Assistance. NVLSP will serve as co-counsel with field programs if such assistance is needed and if NVLSP's resources are sufficient.

Referrals to Private Bar Attorneys and Other Advocacy Groups. Because LSC field offices will sometimes not be able to serve a low-income veteran or dependent, NVLSP maintains a list of private bar attorneys, community-based advocacy groups, veterans organizations and others who may be available to assist the individual with his or her problem. In conjunction with the Veterans Education Project, NVLSP has published a number of self-help guides that provide assistance to low-income veterans and their dependents who are unable to locate a representative. These guides are devoted to a particular problem, such as Agent Orange, discharge upgrading, exposure during military service to atomic radiation or posttraumatic stress syndrome.

Access to Specialized Materials. In the area of veterans' law, important directives, regulations, General Counsel opinions and agency decisions are not published or available in regional locations. NVLSP assists field programs in obtaining access to these materials by either sending the requested materials directly to a field program or providing the field program with information on how to obtain the materials.

Special Projects. Depending upon available resources, NVLSP will consider requests for other projects as well.

III. COMMON TOPICS OF SERVICE REQUEST ASSISTANCE

The following is a list of the most common topics of requests for assistance received by NVLSP. However, cases in other substantive areas often involve issues created by the legal status accorded veterans and their dependents. Legal services programs are, therefore, encouraged to contact NVLSP regarding any cases in which the status of the client as a veteran or a dependent of a veteran may have legal significance.

- Agent Orange
- Correction of Military and Veterans Administration Records
- Discharge Upgrading
- Exposure to Atomic Radiation
- Military Disability Retirement Benefits
- Posttraumatic Stress Disorder
- Recoupment of Overpayments
- Unemployment Compensation
- Veterans Administration Benefits
  - Relationship of VA Pension Programs to SSI and Medicaid Eligibility
  - Foreclosures of VA-Insured Housing
  - Eligibility for Nursing Home or Hospitalization, etc.

IV. STAFF

Barton F. Stichman, Director
Keith D. Snyder, Staff Attorney and Editor of the *Veterans Rights Newsletter*
M.G. Diamond, Staff Attorney
Michael Ettlinger, Staff Attorney

Services of the

NATIONAL CLEARINGHOUSE FOR LEGAL SERVICES

407 S. Dearborn
Suite 400
Chicago, IL 60605
(312) 939-3830
or
toll free for CALR and order requests
(800) 621-3256 (outside Illinois)
(312) 939-3834 (collect in Illinois)

The purpose of the National Clearinghouse for Legal Services, Inc. (Clearinghouse) is to assist low-income persons in the United States in obtaining equal access to justice. It accomplishes this goal by offering a wide variety of legal information to legal services programs and others, including private bar involvement programs and law schools.

I. HIGHLIGHTS OF CLEARINGHOUSE SERVICES

The Clearinghouse is divided into three main parts: the *Clearinghouse Review* and related publication services, the Order Department, and the Computer-Assisted Legal Research (CALR) Project.

A. Clearinghouse Review *and publication services*

1. *Clearinghouse Review*: a monthly legal journal now in its 18th year of publishing timely articles and case developments in poverty law.
2. *Federal Register Highlights* newsletter: timely information on *Federal Register* items of interest to poverty law practitioners.
3. Indexes:
   a. Annual index to the *Clearinghouse Review*.
   b. Cumulative index: a compilation of the annual indexes to volumes 1-17 of the *Review*.
   c. CALR search indexes.
   d. Microfiche indexes: indexes to decisions, manuals and reports, discovery and CLE material.
4. Practice manuals and books: a variety of extensive manuals on poverty law topics are maintained; many are noted in our publications catalog, which is available on request.

B. *Order Department*

1. Copies of all case files and related materials sent directly to the Clearinghouse or to regional CALR projects are available from the Order Department.
2. Microfiche Clearinghouse documents: copies of documents from the Clearinghouse and regional CALR projects on microfiche, providing immediate access in your office to all Clearinghouse documents collected since 1982, at a fraction of the space and a reasonable cost.

C. *Computer-Assisted Legal Research (CALR) Project*

CALR services include searches of the LEXIS, WESTLAW and Dialog data bases, the LSC private library, and the Clearinghouse Electronic File Room (EFR). Computer-assisted legal research services are available to legal services staff in LSC Regions V and VII; other services are provided on a national basis.

D. *Private Bar Involvement*

Attorneys participating in private bar involvement activities of an LSC-funded program may receive subscriptions to the *Clearinghouse Review* at the discounted rate of $50 for the year. The cost may be paid by the LSC program or directly by the attorney. To arrange such subscriptions, write to Pat Gordon or Michael Leonard. In addition, our CALR project will provide computer searches at its normal rate to private attorneys in LSC Regions V and VII working on cases for clients referred by the LSC program. Arrangements for CALR services to the private bar should be made with Bob Serafin. These private bar initiatives have been undertaken by the Clearinghouse to help programs educate private bar panelists and to improve client representation.

II. DETAILS OF CLEARINGHOUSE SERVICES

A. Clearinghouse Review

The *Clearinghouse Review* is the premier publication on the legal problems of poor people in the United States. This monthly legal journal is sent free to each attorney and paralegal practicing in a legal services program funded by the Legal Services Corporation.

Each month the *Review* features articles and columns written by experts in their fields—attorneys working at the LSC-funded national support centers and other national legal organizations, such as the Children's Defense Fund and the National Committee Against Discrimination in Housing; attorneys with local legal services programs; and others, such as professors from outstanding law schools. Topics covered range from AFDC and federal practice to health and housing to unemployment. For example, in 1985, we will publish a series of articles on child support issues.

The Case Developments section of the *Review*, comprised of cases submitted to the Clearinghouse by legal services staff and others, is the key feature tying all of the Clearinghouse's services together. Each month, approximately 100 cases affecting the rights of poor people are summarized in the Case Developments. Unlike other reporting services that summarize only decisions, the Clearinghouse reports on cases from the filing of the complaint, provides periodic updates, and makes copies of all relevant pleadings available through its Order Department. *See* page 54 for an explanation on how to take full advantage of the Case Developments.

Other regular features of the *Review* include the following:

Advance Sheet Highlights: summaries of relevant cases from the federal and state reporters.

Bibliography: brief abstracts of books and articles in other journals and law reviews.

Federal Register Highlights: summaries of recent federal rules, proposed rules and other items of interest published in the *Federal Register*.

Computer & Research News: selected results of computer searches performed by the Clearinghouse Computer-Assisted Legal Research Project and articles on computer searches.

Job Market: a monthly listing of positions available in legal services and related jobs. In 1985, the Clearinghouse plans to expand distribution of Job Market ads by sending a preview of the Job Market to law school placement offices and other organizations in a newsletter format.

Open Forum: letters to the editors from readers.

Management of Legal Services: an occasional section featuring articles and other information relevant to the successful management of a legal services program.

Focus On: an occasional column featuring the activities of a particular legal services program.

Training: a regular column on aspects of training in legal services and news of upcoming seminars.

Late Developments: put together after the rest of the magazine is edited, the Late Developments section usually consists of a short article from a national support center on late-breaking news, such as new legislation.

Casetable: an alphabetical listing of cases reported in the issue.

The *Review* is published monthly, except for a combined August/September issue. Each subscription includes the Annual Review of Poverty Law issue published each January, occasional special issues and an extensive annual index.

Attorneys and firms participating in a private bar involvement project of a legal services program may subscribe to the *Clearinghouse Review* at a discounted rate of $50[1] per year. Subscriptions to all others are $75 per year ($95 outside the continental United States). Paid subscriptions include an attractive three-ring binder.

Federal Register Highlights Newsletter. The Clearinghouse also publishes a timely newsletter summarizing final and proposed rules and other items in the *Federal Register* that affect poor people. Published at least 20 times per year, it is mailed first class to subscribers, allowing them to make timely comments on behalf of clients. Subscriptions are $35 per year, and include the right to photocopy for internal distribution and to request copies of particular *Federal Register* items.

Indexes. The Clearinghouse publishes a variety of indexes.

The **annual index** to the *Clearinghouse Review* is published after the close of the volume year in April. The index issue provides a casetable and subject-matter index to the 2,000 plus cases reported each year in the Case Developments and Advance Sheet Highlights sections of the *Review*. It also contains an index to authors and articles, and to the Federal Register Highlights section.

The **cumulative index,** a compilation of the annual indexes to the *Clearinghouse Review* for volumes 1-17, is in the final stages of publication. In one convenient reference set, the cumulative index will allow readers to locate Clearinghouse documents on a particular topic. It will include a casetable, a detailed subject-matter index, and an index to authors and articles for the first 17 years of the *Review*.

CALR search indexes, detailed indexes of computer searches performed by the CALR project, are available upon request.

The **indexes to microfiche** provide an alternative access to decisions, manuals and reports, discovery and CLE material on microfiche. Microfiche indexes are arranged by subject matter.

The **thesaurus** is an over 200-page listing of subject-matter terms used by the Clearinghouse and CALR projects to index cases. The thesaurus is useful in creating your own brief bank; a limited quantity is available upon request.

We have a number of **practice manuals and books** on hand. Many of these useful reference works are listed in our Publications Catalog, which is available on request. Some recent manuals, all of which have been sent to each legal services program, include the following.

Interstate Child Custody Disputes and Parental Kidnapping: Policy, Practice and Law ($35.00).

Truth in Lending Case Summaries (3d ed.) ($25.00).

Water Law: A Growing Dimension of Poverty Law (A Water-Law Resource and Litigation Manual for Low-Income Advocates) ($33.50).

Using Consultants and Experts Effectively in Legal Services: A Desk Reference of Information Sources ($12.00).

B. Order Department—Opinion and Brief Bank Service

In addition to its publications, the Clearinghouse maintains an extensive collection of decisions, briefs, pleadings and other materials, which are summarized in the Case Developments section and elsewhere in the *Clearinghouse Review*. We also maintain the documents collected by regional CALR projects. Over 37,000 case files have been gathered in the Clearinghouse's function as the central repository for case information within the legal services system.

---

[1] All prices charged by the Clearinghouse are subject to change without notice.

Copies of these documents are available free upon request of staff in a legal services program (one copy per program). Copies of documents are available to others for a charge of 10¢ per page plus a postage and handling charge of $1.50 for orders of 50 pages or less and $3.00 for orders of more than 50 pages.

To order cases/other documents:

1) Call toll free 1-800-621-3256 outside Illinois; in Illinois, call collect 1-312-939-3834. Your order request will be taken by a recording device. The prerecorded message relates to computer search requests, but you may place document requests on it anyway. Follow the instructions carefully and speak clearly. Be sure to leave your name, program name, address, phone and order request.

2) Write to: Order Department, National Clearinghouse for Legal Services, 407 S. Dearborn, Suite 400, Chicago, IL 60605.

3) In case of an emergency, legal services staff and subscribers may call our regular number. Speak with Zelda Barnett, our receptionist, or an available order clerk. Special handling for orders, *e.g.*, express mail, will be billed.

Microfiche Clearinghouse Documents. Since 1982, documents collected by the Clearinghouse, including those collected and forwarded to it by regional CALR projects, have been put on microfiche cards. Each 4 x 6-inch card holds up to 119 pages of text. A microfiche collection provides immediate access in your office to all Clearinghouse documents collected since 1982, in a fraction of the space and at a reasonable cost of $200 per 1,000 microfiche cards (approximately 2,000 case files).

The complete text of cases reported in the Case Developments section of the *Review* is microfiched and provided to subscribers by the time that month's issue of the *Review* arrives in the mail.

Included with the text of the cases are one- to three-page abstracts or coding forms, identical to the abstracts placed in the LSC private library available on LEXIS and WESTLAW. Microfiche subscribers also receive periodic indexes free of charge from our CALR project.

C. Clearinghouse Computer-Assisted Research (CCAR)

CCAR provides computer-assisted legal research (CALR) to LSC-funded programs in LSC Regions V and VII, and performs related functions, such as collecting and distributing our microfiche collection, on a national basis. CCAR is a project funded by a grant from LSC.

The CALR services provided in Regions V and VII include searches on the LEXIS and WESTLAW computer research systems, NEXIS®, Dialog® and the LSC private library (LSC data base).[2]

The **LSC Private Library** is essentially a computer-searchable version of the cases reported in the Case Developments section of the *Clearinghouse Review*, as well as cases collected by four other regional CALR projects. Also referred to as the LSC data base or LSC brief bank, it is available to legal services programs through either the LEXIS or WESTLAW systems. **The LSC private library covers all cases reported in the Case Developments section of the *Clearinghouse Review* since 1982, and many earlier cases.** The data base provides abstracts, indexing terms, references to the bases of claims in cases and other information contained in the *Review's* Case Developments. Material includes pleadings, briefs, decisions, community legal education materials, law review articles and manuals.

LEXIS contains the full text of federal and state court decisions, including many slip opinions or cases only reported in loose-leaf services such as CCH. Other features include FTC reports, NLRB decisions, selected law reviews, ABA ethical opinions and Auto-Cite®.

WESTLAW also contains the full text of case law similar to LEXIS, but also includes the West editorial summaries and key numbers. Shepard's selected law reviews and other data bases are also available.

NEXIS is a full-text newspaper, magazine, newsletter and wire service data base available through LEXIS.

Dialog contains over 175 data bases abstracting a wide range of subjects. Some data bases of interest to legal services workers are the Legal Resource Index, which provides indexing to over 660 law journals and 5 law newspapers; Medline, a source of over 3,000 journals on biomedical literature; Mental Health Abstracts, which indexes over 1,200 mental health journals; Exceptional Child Education Resources, which provides abstracts to literature on handicapped and gifted children; and GPO Monthly Catalog, which indexes legislative and executive branch documents, *e.g.*, Senate and House committee reports, and GAO reports.

---

[2] LEXIS and NEXIS are registered trademarks of Mead Data Central, WESTLAW is a trademark of West Publishing Co.; and Dialog is a registered trademark of Dialog Information Services, Inc. Auto-Cite is a registered trademark of Lawyers Co-Operative Publishing Co.; Shepard's is a registered trademark of McGraw-Hill, Inc.

The **Electronic File Room (EFR)** is the in-house data base maintained at the Clearinghouse. It contains abstracts and indexing terms written for the Case Developments, Advance Sheet Highlights and Bibliography sections of the *Clearinghouse Review* since November 1983, and abstracts of computer searches performed by the CCAR project. A free search of the EFR is performed prior to starting most billable research.

Search Time and CCAR Costs. CCAR charges the research requester what we are charged for on line search time. We absorb the cost of equipment rental, phone charges and printing costs. Search time can vary depending upon the complexity of the request and other factors. Our average search request that involves either a nationwide federal court or nationwide state court search runs about 15-20 minutes. Current charges for a search through the LEXIS, WESTLAW or the LSC Private Library run $1.00 per minute of on-line time. NEXIS is billed at $2.00 per minute; Dialog costs vary with the data base searched.

CCAR Publications. The *CCAR User Manual*, which gives more detail on these services, has been distributed to all offices in our service area. Additional copies are available on request. Other publications from the CCAR project are *CCAR Pool*, a monthly newsletter, indexes to CCAR searches, and indexes to material on microfiche.

CALR projects in other regions of the country offer similar services. For specifics, contact them directly (*see* box listing all CALR projects, below).

PHONE-IN RESEARCH PROJECTS

The following is a list of the regional CALR projects. Legal services program attorneys who wish to have research done should contact the CALR project serving their region.

Program attorneys in Region I (Connecticut, Maine, Vermont, Massachusetts, New Hampshire and Rhode Island) should call or write

Massachusetts Law Reform Institute
69 Canal St., 2d Floor
Boston, MA 02114
toll free (800) 225-2044;
in Massachusetts and outside N.E.
(617) 742-9335 or 9336

Program attorneys in New York State should call or write

Greater Upstate Law Project
101 Powers Bldg., 16 W. Main St.
Rochester, NY 14614
(716) 454-6500

Program attorneys in Regions III and IV (Delaware, D.C., Maryland, Michigan, New Jersey, Ohio, Pennsylvania, Virginia and West Virginia) should call or write

Ohio State Legal Services
155 N. High St.
Columbus, OH 43215
toll free (800) 848-0180;
in Ohio (800) 282-2769

Program attorneys in Regions V and VII (Arizona, Colorado, Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, New Mexico, North Dakota, Oklahoma, Texas, Utah, Wisconsin and Indian Law Projects) should call or write

National Clearinghouse for Legal Services
407 S. Dearborn, Suite 400
Chicago, IL 60605
toll free (800) 621-3256;
in Illinois (312) 939-3834

Program attorneys in Region VI (Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, and Tennessee) should call or write

Legal Aid Society of Northwest North Carolina
216 W. 4th St., Patten Bldg.
Winston-Salem, NC 27101
(919) 725-9166

Program attorneys in Region VII (California and Nevada) should call or write

Western Center on Law and Poverty
3535 W. 6th St.
Los Angeles, CA 90020
(213) 487-7211

Program attorneys in Region IX (Alaska, Hawaii, Idaho, Micronesia, Montana, Oregon, Washington and Wyoming) should call or write

Oregon Legal Services
2328 N.W. Everett St.
Portland, OR 97210
(503) 223-7502

HOW TO READ AND USE A CASE DEVELOPMENT

The Clearinghouse Order Department fills over 1,000 document requests a month. Still, there are a number of legal services workers who do not take full advantage of our best feature—the Case Developments. Here is an explanation of how to read and use a Case Development, based on a letter from a legal services attorney that we printed in the April 1984 *Review*.

> *To the Editor:*
>
> A recent experience with submission of material to *Clearinghouse Review* leads me to believe that many legal services workers do not fully understand the services provided by National Clearinghouse. I submitted documents on a case dealing with a somewhat novel SSI issue. When the case appeared in *Clearinghouse Review*, I was inundated with letters and phone calls. A few of the callers wanted to discuss the case, which I was happy to do. Most people were only seeking copies of the documents and many did not appear to know they could be obtained directly from the National Clearinghouse. My office has one secretary and cannot spare the time to constantly be making copies of pleadings.
>
> It might be helpful if you could put an explanation of the services provided by the National Clearinghouse in the next *Clearinghouse Review*, so that those services are efficiently used.
>
> *Sincerely,*
> *Steven Kommel*
> *Managing Attorney*
> *Western Massachusetts Legal Services, Inc.*

The case that Mr. Kommel had submitted was summarized in the Case Developments section of the February 1984 *Review*.

Court Awards Interim Benefits Because Secretary Was Late Filing Answer to Complaint

35,242. Shorey v. Heckler, No. 82-0353-F (D. Mass. June 22, 1983). Plaintiff represented by Steven Kommel, Western Massachusetts Legal Services, Inc., 278 Main St., Greenfield, MA 01301, (413) 774-3747. [Here reported: (Accession No. 1003505) 35,242A Motion for Extension of Time (1p.); 35,242B Memo in Opp'n (4pp.); 35,242C Order (1p.); 35,242D Motion for Interim Payment of Benefits (2pp.); 35,242E Order (1p.); 35,242F Motion to Hold Def in Civil Contempt (2pp.); 35,242G Order (1p.); 35,242H Def's Motion to Terminate Benefits (2pp.); 35,242-I Plfs' Opp'n (6pp.); 35,242J Order (1p.).]

The court ordered defendant Secretary of HHS to file an answer to the complaint brought by terminated SSI recipient and to pay interim benefits equal to those the claimant was receiving prior to termination. When the Secretary terminated claimant's benefits on the ground that she was no longer disabled, claimant filed suit to challenge the decision. The Secretary filed a motion for extension of time to file an answer. The court found that because of the delays already suffered by claimant and her below-subsistance level of income, such delay should not be allowed. The court commented that the Secretary's reason—that HHS "will require additional time in order to prepare a transcript of the administrative record"—was outweighed by the need for prompt resolution. The court also noted that a quick check of the docket indicated that defendant had made the same request in virtually every case of this type, and that it was therefore apparent that defendant files motions for an extension without even determining the status of the transcript preparation.

HOW TO READ THE CASE DEVELOPMENT:

1. *Clearinghouse Number.* The Clearinghouse Number is a unique five-digit number we assign to each new case. This number will always stay with this case, even if it is appealed or the case name changes. Use the Clearinghouse Number and letters, and the case name when ordering documents.

2. *Case name.*

3. *Docket number,* court/forum, and date of decision/filing of complaint/date of last document submitted. In this example, the date given is that of the last order.

4. *Name, program, address and phone of counsel.* Use this information to contact counsel to discuss strategic aspects of the case, or for later developments if not reported in the *Review*. **Please do not contact counsel for the pleadings; contact the Clearinghouse.**

5. *Accession Number.* The Accession Number is a unique seven-digit number given by the Clearinghouse or a CALR project to a document(s) put into the LSC private library data base and on microfiche. A case can have more than one Accession Number. In this example, all of the documents listed were microfiched under one Accession Number. If the case were appealed and reported in a later issue of the *Review*, the appellate briefs, etc. would have a different Accession Number. Subscribers to our microfiche collection use this number to locate a case.
   Though you can order documents from our Order Department with only the Accession Number, we then have to search our computerized cross-reference table to locate the requested documents. Therefore, we prefer that you use the five-digit Clearinghouse Number and letters when ordering. People who use the LSC data base or microfiche will find the Clearinghouse Number listed in the "Additional Terms" segment of the coding forms.

6. *Clearinghouse lettering system.* Generally, each separate document (complaint, brief, decision, order) is assigned a separate letter. We do this so you can identify and order exactly what you need. In this example, if you want only the papers on the Secretary of HHS's request for an extension of time, just order Clearinghouse No. 35,242A-C. If you want all the pleadings in the case, including those that may have arrived since this abstract was printed, ask for Clearinghouse No. 35,242 (all), or simply 35,242.

7. *The abstract or editorial summary is written by Clearinghouse staff.* We try to provide a concise and accurate synopsis of the issues in the case, the parties' positions and, where applicable, we focus on the court's decision. Our staff reads through the papers and any letter submitted by counsel summarizing the case. Counsel who send letters will normally find we mention their salient points. **The Clearinghouse strongly encourages you to send us copies of cases you are working on so others in legal services can benefit from your research.**

8. *The headline* is a shorthand description of the case so that the reader can quickly skim through the Case Developments for relevant cases.

HOW TO USE THE CASE DEVELOPMENT:

You can use the Case Developments to
- keep up in your area(s) of specialization.
- save time and effort in doing research—drafting complaints, briefs, orders, etc. Build upon the work already done by others in legal services with similar cases.
- persuade judges of the correctness of your client's position—attach copies of on-point decisions to your briefs.

You can order copies of material summarized in the Case Developments by
- calling toll-free 1-800-621-3256 outside Illinois; in Illinois call collect 1-312-939-3834.
- writing to our Order Department.
- in an emergency, calling our regular number, 1-312-939-3830, and speaking with our receptionist or an available order clerk.

III. SELECTED CLEARINGHOUSE SERVICE AREAS AND STAFF TO CONTACT

A complete listing of the Clearinghouse's Board of Directors and staff can be found on the inside front cover of this directory, as well as in each issue of the *Review*. Staff to contact in certain areas are as follows.

CALR search requests: Bob Serafin, CCAR Project Director, and Kathy Bankhead, Staff Attorney.

Order Department: To order cases, call our toll-free number or write to Order Department, Debra Marks Davis, Virginia Vejar, Bob Hernandez, Order Department Clerks. In an emergency, call our regular number, (312) 939-3830, and speak with Zelda Barnett, Receptionist, or an available order clerk. TOLL-FREE CALLS FOR CALR OR ORDERS: 1-800-621-3256 outside Illinois; 1-312-939-3834 collect in Illinois.

Case submissions: Send new cases and updates, or other useful material that you want us to make available to our readers, to our Library, Katherine Stevenson, Librarian.

Article Submissions: To submit articles, columns, ideas for features, comments or criticisms on the *Review*, write to Lucy Moss, Managing Editor, or Michael Leonard, Director.

Address Changes and Subscriptions: Send address changes, and subscriptions for the *Clearinghouse Review*, *Federal Register Highlights* newsletter and other publications to Pat Gordon, Secretary. **Please send your change of address before you move and give us the effective date of the change;** otherwise your copies may not be delivered. Please allow two months for a change of address for the *Review*.

Job Market Ads: Send to Pat Gordon, Secretary.

General Comments, Suggestions, Criticisms: Send to Michael Leonard, Director.

NATIONAL SUPPORT

The Corporation funds seventeen National Support Centers which provide support to field attorneys state support centers. The Centers are concentrated in five large metropolitan areas and their Board of Directors are mainly chosen by four state bar associations.

Since 1981 the National Support Centers have contracted to provide the following services:

1) Support of legal services program staff and clients through individual service work, library and resource material, training, communications, development of manuals and material, technical assistance and development of strategies for use by local program staff.

2) Engaging in litigation, including serving as counsel for eligible clients and as co-counsel with local program staff.

3) Undertaking legislative and administrative representation on behalf of eligible clients and client groups before Congress, state legislatures, and administrative agencies.

4) Coordinating and establishing networks with local program staff, other support projects, other advocates and advocate organizations representing the poor.

The following is a listing of the centers, their locations, and current LSC funding (FY 85):

CENTER (in order of recipient number)	Office Location	FY 1985 LSC Funding
National Consumer Law Center	Boston, MA; Wash., DC	$683,372
Center for Law and Education	Cambridge, MA; Wash., DC	$608,362
ter on Social Welfare Policy and Law	New York, Washington, DC	$699,177
National Employment Law Project	New York, Washington, DC	$526,727
National Center on Women and Family Law	New York	$255,871
National Social Science and Law Center	Washington, DC	$320,722
Migrant Legal Action Program	Washington, DC	$572,309
Mental Health Law Project	Washington, DC	$ 95,421
Food Research and Action Center	Washington, DC	$ 63,280
National Veterans Legal Services Project	Washington, DC	$ 95,420
Indian Law Support Center	Boulder, CO	$260,325
National Economic Development and Law Center	Berkeley, CA; Wash., DC	$428,522
National Housing Law Project	Berkeley, CA; Wash., DC	$748,713
National Center for Immigrants' Rights	Los Angeles, CA	$171,813
National Health Law Program	Los Angeles, CA; Wash., DC	$637,280
National Senior Citizens Law Center	Los Angeles, CA; Wash., DC	$616,057
National Center for Youth Law	San Francisco, CA	$632,319
		TOTAL $7,415,690

State	Name	Salaries
CA	1) National Economic Development & Law Center	
	Attorney #1	51,300
	Attorney #2	47,050
	Attorney #3	42,550
	Attorney #4	50,050
D.C.	2) Migrant Legal Action Program	
	Attorney #1	37,703
	Attorney #2	37,277
	Attorney #3	36,012
	Attorney #4	34,937
D.C.	3) Food Research and Action Center, Inc.	
	Attorney #1	50,000
	Attorney #2	33,000
	Attorney #3	35,000
D.C.	4) National Senior Citizens Law Center	
	Attorney #1	49,500
	Attorney #2	22,200
	Attorney #3	22,200
	Attorney #4	37,000
	Attorney #5	35,000
CA	5) National Senior Citizens Law Center	
	Attorney #1	41,000
	Attorney #2	43,000
	Attorney #3	37,000
	Attorney #4	34,000
	Attorney #5	30,000
CO	6) Native American Rights Fund/ Indian Law Support Center	
	Attorney #1	45,195
	Attorney #2	65,374
	Attorney #3	58,084
	Attorney #4	56,796
	Attorney #5	55,505
	Attorney #6	55,925
	Attorney #7	54,216
	Attorney #8	36,470
	Attorney #9	32,536
	Attorney #10	54,216
	Attorney #11	31,207

State	Name	Salaries
D.C.	7) Native American Rights Fund/ Indian Law Support Center	
	Attorney #1	56,694
	Attorney #2	56,694
	Attorney #3	49,625
AK	8) Native American Rights Fund/ Indian Law Support Center	
	Attorney #1	74,540
	Attorney #2	39,671
D.C.	9) National Veterans Legal Services Project	
	Attorney #1	45,000
	Attorney #2	32,000
	Attorney #3	22,000
	Attorney #4	19,800
D.C.	10) National Housing & Community Development Law Project, Inc.	
	Attorney #1	26,000
	Attorney #2	27,500
CA	11) National Housing & Community Development Law Project, Inc.	
	Attorney #1	52,303
	Attorney #2	51,303
	Attorney #3	49,221
	Attorney #4	51,303
	Attorney #5	51,303
	Attorney #6	45,211
	Attorney #7	51,303
	Attorney #8	51,303
	Attorney #9	51,303
	Attorney #10	49,221
N.Y.	12) Center on Social Welfare Policy & Law	
	Attorney #1	52,920
	Attorney #2	39,500
	Attorney #3	37,500
	Attorney #4	38,250
	Attorney #5	37,500
	Attorney #6	31,000
	Attorney #7	27,000
D.C.	13) Center on Social Welfare Policy & Law	
	Attorney #1	52,920
	Attorney #2	37,500

State	Name	Salaries
N.Y.	14) National Employment Law Project, Inc.	
	Attorney #1	60,000
	Attorney #2	32,300
	Attorney #3	27,875
	Attorney #4	12,325
N.Y.	15) National Employment Law Project, Inc.	
	No attorneys listed -- only one paralegal	
MA	16) Center for Law & Education, Inc.	
	Attorney #1	48,000
	Attorney #2	32,444
	Attorney #3	46,701
	Attorney #4	27,480
CA	17) National Center for Youth Law	
	Attorney #1	27,300
	Attorney #2	35,898
	Attorney #3	44,807
	Attorney #4	29,490
	Attorney #5	33,942
	Attorney #6	28,577
	Attorney #7	29,500
N.Y.	18) National Center on Women & Family Law, Inc.	
	Attorney #1	47,700
	Attorney #2	37,500
D.C.	19) National Health Law Program	
	Attorney #1	35,000
	Attorney #2	44,000
	Attorney #3	18,000
D.C.	20) National Consumer Law Center	
	Attorney #1	42,472
	Attorney #2	36,279
MA	21) National Consumer Law Center	
	Attorney #1	42,472
	Attorney #2	40,998
	Attorney #3	37,459
	Attorney #4	37,460
	Attorney #5	38,638
	Attorney #6	44,596
	Attorney #7	38,638

State	Name	Salaries
CA	22) National Center for Immigrants Rights	
	Legal Aid Foundation of Los Angeles	
	Attorney #1	49,166
	Attorney #2	46,603
	Attorney #3	32,036
	Attorney #4	22,414
DC	23) National Social Science Law Center	
	Professional Staff - Exec. Director	58,578
	Professional Staff - Dep. Director	40,365

Mr. MENDEZ. We can provide you with all of that, and we will. I thought that this might be an issue from both sides today. I brought a list of the various groups with their totals.

To provide everything you have asked for, we will have to come back. Not only will we provide you with that, we will provide you with their funding applications, which are real key things to show what they are.

Mr. ROGERS. Good.

ACCOUNTABILITY AND EVALAUTION OF PROGRAMS

Let me talk to you a minute about accountability. Do you have any reliable way of knowing whether a grantee is spending their grant money in an efficient and practical manner?

Mr. MENDEZ. Right now, we don't have a real reliable way. When I first came on board, I asked about accounting. Since I am the Chairman of the Audit and Accounting Committee, we spent a lot of time and effort examining that and we have purchased computers or offered computers to every one of the grantees.

Those computers are used and are going to be used for the CSR, the statistical reporting data, as well as functional accounting data. Combining both of those, we should be able to get accountability between the programs and us and the programs and Congress, and accountability within the programs themselves.

Mr. ROGERS. Let me just familiarize you with a current problem in my district.

An LSC grantee has brought a lawsuit against an Area Development District—contesting the award of money in a program for the elderly. The grantee had applied for these funds, but did not get them. They brought suit against the Area Development District, I think, because they did not get the grant.

It has tied up untold hours and hours of time of staff and money that can be better used for what the Development District is supposed to be doing: receiving Federal and state moneys, and helping counties and communities with their development problems.

It has been alleged that that suit is costing the grantee more than the funds in issue. Since that lawsuit is preventing the Area Development District from overseeing existing contracts, it just seems to me like it is an absolutely idiotic, stupid, crazy expenditures of funds.

Are you aware of that particular case?

Mr. MENDEZ. I have been made aware of it recently. Unfortunately, we receive information on suits like this occasionally.

We would hope that our grantees exercise better discretion most of the time

The functional accounting that we have established now and that we have requested and asked for will be able to tell us whether those types of lawsuits are within the priority of the local program and the exact dollars that they are spending on this to make a determination about whether that is an appropriate expenditure of funds.

Right now, we don't have that.

Mr. ROGERS. Do you have any oversight at all over a grantee like that?

Mr. MENDEZ. We have the ability to go in and monitor these grantees; but with regard to specific lawsuits, no, we don't.

Mr. ROGERS. Well, when you go in and monitor them, what does that consist of?

Mr. MENDEZ. It consists of reviewing the books and sample cases to determine whether they are doing things appropriately, reviewing the different priorities, reviewing how they are processing the cases, reviewing the contracts that they have with clients, speaking to the local bar, the local judiciary—that type of thing—to determine the general reputation of the grantee.

Mr. ROGERS. But under the proposal that you have, how would that change, that particular situation?

Mr. MENDEZ. We will be able to determine under the proposal the time spent by attorneys on specific types of cases without getting into disclosure of attorney/client privilege. We will be able to examine specific types of cases and question grantees as to how much they are allocating for certain cases such as lobbying, such as private attorney involvement, that type of thing.

Mr. ROGERS. Now, you say this is a proposal that you had.

Mr. MENDEZ. We have sent up to Congress the request for reprogramming asking them to allow us to do this. In the Conference Report, there was specific language telling us that we could not commence this activity until we notified both the House and the Senate Appropriations Committees as to the activities.

We are, in fact, requesting that we be allowed to go forward with it. We have given them all of the information concerning the costs involved.

That was the specific thing. They wanted to know the benefits versus the costs. We have established the benefits previously and we have tendered, today, what we anticipate the cost for commencing this.

Mr. ROGERS. What is the cost?

Mr. MENDEZ. The cost is less than 1 percent of the grantees' total budget. In hard dollars, it is about $305,000 a year in actual expenditures. In terms of attorney time, assuming that an attorney takes five minutes a day to do that, it will be $2 million a year in attorney time to fill out time slips.

On the time slips, all we are asking attorneys and paralegals to do is fill out the dates, the attorney name or number, the client case number, the service description. Since both of you gentlemen were in practice before, you will remember that you can write your service description by either a shorthand number of the type of service it was or a more full description.

A lot of us used those to recall what the specific activity was and for billing purposes.

The last thing for which we are asking is time: how much time they expended on the specific service.

We have run through several programs. The average is between 9 and 12 slips a day. We figure that you can fill out one of those time slips in about 20 seconds with that type of activity.

Mr. ROGERS. Well, if a system like that makes sense for a law firm to use in billing its clients, it seems to me that the taxpayers of the country should be entitled to the same kind of billing procedure.

Mr. **Mendez**. We have examined all the various alternatives. About 10 percent of our programs are presently doing this. We believe that the most efficient ones are already doing this, and we believe that with this imposition the rest of them will become much more efficient.

Mr. **Wentzel**. They would need to do these in fee generating cases anyway. They would have to show what they did and how much time they put into it.

Mr. **Mendez**. They are, in fact, already doing this on all of their fee-generating cases.

Mr. **Rogers**. Well, if you can use it to help oversee these grantees, then you have a strong supporter here.

According to your budget request, the overall funding level for legal services has grown dramatically since '82.

Mr. **Mendez**. That is correct.

Mr. **Rogers**. If these field programs are going to receive more funding, I think it is important to know as much as we can about how they are spending the money.

Do you know if client service has increased in the last three years?

Mr. **Mendez**. Client service has remained constant. Even though we have increased funding and even though there has been an increase in private dollars, the number of attorneys has decreased and the number of paralegals has decreased.

That only leads you to one conclusion: that salaries have gone up radically. That is, in fact, what our grant applications have established: that they have gone up about 27 percent.

Mr. **Rogers**. You are unable to tell us precisely how that happened because you don't have the accountability numbers in the present system?

Mr. **Mendez**. That is correct. We don't know why they are not hiring more attorneys and using this money that we have been giving them to hire more attorneys.

AUTHORITY TO TERMINATE PROGRAMS

Mr. **Rogers**. Let me get back to my first subject, the Center on Social Welfare Policy and Law.

Regardless of any direction by Congress and the Conference Report as to mandated funding levels, do you not now have authority under the anti-lobbying language in the '86 Act to terminate the funding for this social service agency based on the activity that I quoted to you a minute ago?

If not, why not?

Mr. **Mendez**. I will advise the Congressman, we just finished the lobbying regulation. We were under a reprogramming notice for several regulations. The lobbying regulation was just completed this week and we will be sending notification up on new lobbying regulations to the Congress within the next couple of weeks.

They are typing up all the language. With the new language, we believe we will be able to use that.

Mr. **Rogers**. What I am saying to you is, we wrote it in the law.

Mr. **Mendez**. That is correct.

Mr. **Rogers**. You don't need regulations.

Mr. **Mendez**. That is correct.

Mr. **Rogers**. We wrote the law. The regulations were written at this desk and went into the 1986 Appropriations Act. I am quoting from 42 USC 2996(c) under the Legal Services Corporation appropriations bill for 1986:

> Provided further that none of the funds appropriated in this Act, made available by the Legal Services Corporation, may be used . . . .

Skipping to paragraph (2), . . .

> To pay for any personal service, advertisement, telegram, telephone, communication, letter, credit or written matter, or other device intended or designed to influence any decision by a Federal, state or local agency except when legal assistance is provided by an employee of a recipient to an eligible client on a particular application, claim or case which directly involves the client's legal rights or responsibilities.

There are other paragraphs in that same section with similar import further defining what we intended that this money not be used for; and it is specific in here.

You don't need regulations to terminate this program. It violates the law.

I am asking you to take appropriate action forthwith to terminate that funding.

Mr. **Wentzel**. Congressman, I will look into it, I can assure you of that; but you should also know that we just cannot terminate funding. We have to go through a rather lengthy process.

Mr. **Rogers**. Let me ask you a minute. Suppose I am a grantee and I take L.S.C. money, and I come up here and I go see the Chairman of this Subcommittee and I publicly beseech him to not cut out my funding, and I am in direct violation of the lobbying laws.

Can you cut off his money, or do you just let him go for another year?

Mr. **Wentzel**. That is what I was trying to explain to you.

We have a process that we have to go through. We had one recently where we did that.

It took 18 months. It took several hundreds of thousands of dollars to terminate the funding for that particular program.

Mr. **Rogers**. Why?

Mr. **Wentzel**. We have to go through that process.

Mr. **Rogers**. What process? Where did it come from?

Mr. **Wentzel**. It came from statute, from Congress.

Mr. **Mendez**. Part of the LSC Act requires that if we are going to defund we have to go through certain activities and give them, in essence, a due process.

Mr. **Rogers**. Is that written in the Act?

Mr. **Mendez**. It's in the Act; it's not in the appropriations, though.

Mr. **Rogers**. In the authorizing Act?

Mr. **Mendez**. Yes.

Mr. **Wentzel**. I will look into that matter, though, Congressman, I can assure you.

Mr. **Rogers**. Well, I am concerned about this particular matter, but I am more concerned, I guess, that there are who knows how many others that are doing the same thing that we don't know about and did not see.

I am interested in your getting a procedure whereby you can instantly cut off those people for doing those types of things; otherwise, we may just not even fool with writing an appropriation bill, Mr. Chairman, that prohibits these types of activities.

If it is not going to effectively prohibit it, why fool with it?

Now, you say that you are promulgating regulations now that will speed up the process?

Mr. **Wentzel**. We have noticed in the Federal Register regulations which are mandated also by Congress, which would change the burden of proof and also would limit the hearing process to 90 days, which is mandated by Congress.

We are involved, yes, at this time trying to——

Mr. **Rogers**. Well, I am going to try to speed up the process. I want to know the name of the individual that promulgated this language that I just read to you from the Center on Social Welfare Policy and Law.

I want to know the name, date and facts about how this communication was printed with public funds; and I want to know why he or she did it, when, how and all the details, and who used the money and where the money came from.

I want to know it immediately. I am going to speed up your process.

Mr. **Mendez**. We will provide all of that to you as rapidly as possible, Congressman.

Mr. **Rogers**. How rapidly is that?

Mr. **Wentzel**. Well, it depends upon the cooperation that we get from the grantee.

Mr. **Mendez**. We have been locked out of two grantees.

Mr. **Rogers**. Well, if you get me the information I will look into getting a congressional subpoena issued. We will get the information. Furnish that in their pipe and let them smoke it.

I want that information. If they refuse, tell me who refuses, under what circumstances, and by what authority.

Do you have those three things?

Mr. **Wentzel**. Yes, sir.

Mr. **Mendez**. We do.

Mr. **Rogers**. Tell me where I can serve a subpoena on that person. Tell me the physical location. OK?

Mr. **Mendez**. Yes.

Mr. **Rogers**. All right. That's all.

SERVICES PROVIDED BY SUPPORT CENTERS

Mr. **Smith**. These support centers, do I hear you say that none of them are furnishing service or that only some of them are? What is your judgment?

Mr. **Mendez**. If I said none of them, I spoke in error because that is clearly not correct; but that is not their emphasis: to furnish services.

Mr. **Smith**. No, that is not what I mean. I mean, are they performing a service that is needed?

Mr. **Mendez**. Of course, there are certain levels of what is needed. If I was to rate my orders of priority of what is needed, I would say that some of the support center provide more important service than others do.

Mr. **Smith**. What ones?

Mr. **Mendez**. For instance, in my review I would say the housing law and the consumer law. There are about five of them just off the top of my head; I cannot give them to you.

But out of the 17, I would say 5. I would also say the National Center for the Medically Dependent and Disabled is in the top group, too.

Mr. **Smith**. In other words, there are certain areas where, as a practical matter, the private law practice does not really have access to the kind of research material that can be easily garnered by the practicing legal services attorney. Is that not right?

Mr. **Mendez**. One of the difficulties we had with the national support centers is that they have not really gone out to help the *pro bono* lawyer. They have developed a lot of information and they are giving it to the legal services community, but they are not giving it to the *pro bono* lawyer who is working on cases.

Mr. **Smith**. Well, they ought to give it to both.

Mr. **Mendez**. I agree with that. I also think they ought to be giving it to anybody who is working on poor people's problems, whether it is *pro bono* or not.

Mr. **Smith**. Sure. That is the purpose of it.

We do have a number of publishing houses——

Mr. **Mendez**. That is correct.

Mr. **Smith**.—that provide, by computer and otherwise now, briefs on almost any subject except for poor people. Where are they going to get the money to develop the briefs for that? You don't get any money out of that.

Mr. **Mendez**. We have established the computer-assisted legal research. We have put on the computers, with the help of Westlaw, the computer-assisted legal research for poor people.

Mr. **Smith**. Who did the research?

Mr. **Mendez**. The legal aid groups, and that is fed into those banks so that they can pull it back out.

Mr. **Smith**. Some of these support centers were supposed to help on that. Did they or not?

Mr. **Mendez**. They, in fact, did that; but have entered into an agreement with these computer-assisted research groups to do a study to see how we can best and most efficiently provide that access.

One of the things that needs to be stated is that these activities were not available before, but because we have all of the computer access now and with Westlaw and the various computer aspects with them, they should be able to pick up all of that.

Mr. **Smith**. Of course, you get out of the computer whatever somebody feeds in.

Mr. **Mendez**. That is correct.

Mr. **Smith**. The question that I have is: To what extent has material been fed into these computers that can now be gotten out of them as a result of having these support centers?

Mr. **Wentzel**. I don't know if we know that.

Mr. **Mendez**. That is a real tough question. I know that there is some. How much and how valuable it is——

Mr. **Smith**. At the time support centers were started, you might as well say there was virtually no such information available.

Mr. **Mendez**. That is correct. There was no computer assisted information.

Mr. **Smith**. Yes. Maybe enough has been garnered now that you don't need as much for support centers; maybe they have too much for support centers. I don't know.

Mr. **Wentzel**. I don't think, Mr. Chairman, anybody knows that at the present time. I know that a lot of the law schools, through the clinical programs, can pick up a lot of that.

Mr. **Smith**. Right.

Mr. **Wentzel**. That is in my opinion.

I think Loyola, for one, has agreed to do some of that in two areas of the law. It may be that another school will agree to do that also.

But I think some of that can be picked up there, but not a great deal can be picked up there.

Mr. **Smith**. So maybe we have gotten some material and maybe you do not need it anymore, but there is a purpose for support centers.

Mr. **Mendez**. I do not disagree with that. How much money we should give them——

Mr. **Smith**. That is another question.

Mr. **Mendez**.—that is another question. Not only that, whether——

Mr. **Smith**. And whether or not there is another way to get it cheaper.

Mr. **Mendez**. Mr. Chairman, there are a lot of journals out there—for instance, housing journals even though the housing law group is very effective. We can make the subscriptions of the housing journal for approximately 300 groups much cheaper than for what we are funding them.

Mr. **Smith**. I see.

Mr. **Mendez**. It may not be as closely knit; it may not provide very same thing the other one does. But if you are weighing dollars, what one do you do?

AVERAGE SALARY OF LSC ATTONEY

Mr. **Smith**. What is the average salary of the legal services attorney now, do you know?

Mr. **Mendez**. Between $26,000 and $27,000. The support center lawyers are at the $40,000 level.

Mr. **Smith**. I see.

Mr. **Mendez**. We have one support center where an attorney is making $74,000.

Mr. **Smith**. Well, the legal services attorneys that average at $27,000, what is the entering average level? Do you know?

Mr. **Mendez**. It is between $17,000 and $20,000.

Mr. **Smith**. I see. One must still have a desire to be a legal services attorney or you would not take that job.

Mr. **Mendez**. We do not disagree with that. That is the reason we are spending a lot of time and effort in the law schools, because the statistics that we have developed, which are reflected in our application——

Mr. **Smith**. And there are many attorneys that want to do it. They don't want to have the highest salary; they do want to have enough, though, to pay the rent bill.

Mr. **Mendez**. That is correct.

There are a lot of attorneys that want to do *pro bono* if they are educated into *pro bono* early enough, that are willing to work for reduced fees. If there is a dramatic reduction in monies, I would anticipate that one of the things that we would be doing is devoting a lot of time and a lot of effort to insuring that *pro bono* activities and the infrastructure of *pro bono* activities are completed.

Mr. **Smith**. It is not a perfect analogy, perhaps, but I remember when a Federal Judge made a big announcement that he was going to make some of the attorneys that had not been taking criminal defense cases take them. These were attorneys that were making high salaries representing big clients.

It was not very long until he got complaints that criminal defendants were getting inadequate representation. He was making these attorneys take those cases and they were not capable of taking those kinds of cases.

So there is something to it. It is not the salary you get, necessarily; it is not some other things. There is a desire and special field there.

Mr. **Rogers**. Would you yield, Mr. Chairman?

Mr. **Smith**. Yes.

Mr. **Rogers**. I had a similar experience when I first started practicing, except I was with a three- or four-man firm; of course, low man on the totem pole. When that firm got the request from the judge for representation of a criminal defendant, it was not the senior partner that did the case. He just passed it down to the lowest man on the totem pole.

Now, I learned a lot there and I think that my clients got good representation because I worked hard and because I had to learn myself. I happen to think that poor people get a better representation out of making the lawyers in private practice take those cases.

I think we get much better representation there because you are still subject to the ethical rules.

But unlike these service support centers, the only support center I had was the library. I went in there and dug it out. I had to. Frankly, I think these lawyers in these cases ought to use the library. We have books.

MATERIALS AVAILABLE FOR ELDERLY LAW

Mr. **Smith**. One thing that has not been available from the library until at least the last couple of years—has been really adequate law concerning the elderly. Is the body of law that is now available at the library fairly sufficient for a lawyer that wants to represent the elder poor?

Mr. **Mendez**. Mr. Chairman, in the last several years, there has been a substantial number of books by the major legal publication firms on Medicaid, Medicare, Social Security. Up until the last three or four years, there was not much.

Now, there are complete subscription services from virtually all of them concerning Social Security. There is material available on Medicare and Medicaid, that whole aspect.

As I stated before, there is a housing law journal. We have all of those types of things.

If the attorney is willing, more than anything else, to go and look and work at it, it is there. That is the issue.

How much work do we want to make these people do?

Mr. SMITH. You say it is there. Where?

Mr. MENDEZ. In almost every one of the large libraries.

Mr. SMITH. I see.

LSC RESEARCH GROUP

Mr. MENDEZ. Virtually every State has a grantee in a major city who would be able to get it; and if they have difficulties—we have discussed this in the Corporation—we are trying to establish a research group in the Corporation that will be able to allow them to do that.

It has not been finalized by any means, but that is what we are looking to.

Mr. SMITH. Explain that a little bit more.

Mr. MENDEZ. We want to bring several of the activities in house because, one, we think we can do it much more inexpensively than they are done now. Also, some of the law schools are expressing an interest in being on the cutting edge of legal research for the poor.

I don't think we are giving away any secrets by saying that Loyola has expressed a lot of interest in that area.

Mr. WENTZEL. They have put that in their grant documents, that they do want to do specifically two areas of the law which are very much at the forefront of poor persons' problems. There are other law schools that are also extremely interested in this.

You will get a good-quality product out of that. We are quite excited about that.

Mr. SMITH. With the desire of the various competing computer companies, now, that get into law schools, you can get software, do you think?

Mr. WENTZEL. We have provided the grantees with various types of software. Virtually all of these computer-assisted groups are IBM-compatible and all of the computers we have bought for our grantees are IBM-compatible.

So the software is available to them now if they elect to do it. In the grants on experimental projects in the past, some of our grantees did not want to continue with the Westlaw and the computer-assisted research: They did not think it was worth their time and worth the expense.

That is one of the areas that we want to stress. We want to leave as much discretion as possible to the grantees to choose in what area they want to choose the dollars.

One of the things that we would really be looking for and would be looking from direction from this Committee on is giving this money directly to the grantees from the support centers—we have had this discussion on our board on numerous occasions—and letting them buy it from either the national support grantees or they can go elsewhere and find it; but giving them that option and not funding it directly.

If they want to go find it from the housing law journal or from CCH or from Matthew Bender or West or whatever, they can go do that; but we should not be in that business.

Mr. **Smith**. What is the total number of grantees?

Mr. **Wentzel**. Approximately 320. That is besides the basic field. There are about 288 basic field programs.

Mr. **Smith**. Thank you very much.

Mr. **Mendez**. Thank you, Mr. Chairman.

Mr. **Smith**. We have some other questions which we will provide to you and you can answer for the record.

[The questions and answers follow:]

RESPONSES TO QUESTIONS SUBMITTED BY CONGRESSMAN O'BRIEN

Question: I note in your prepared statement that the LSC is proposing a reassignment of funding priorities in order to maximize the delivery of legal services to the economically disadvantaged in an atmosphere of budgetary restraint since the enactment of Gramm-Rudman-Hollings. Please outline in greater detail the proposal to which you made reference.

Answer: The LSC FY'87 Budget Request emphasizes direct delivery of legal services to the poor by requesting increased funding in the direct delivery budget category. The Budget Request also calls for a decrease to support services. Currently, the Corporation provides funds to a variety of functions not all of which, such as national support centers, provide services to eligible clients directly. It is the desire of the LSC Board that Congress give careful consideration to this issue.

Question: **Please explain the changes to the staff attorney model you are considering.**

Answer: LSC's efforts are focused on maximizing access to justice. Attainment of this goal necessitates the development of a variety of supplemental projects to the staff attorney model. The Corporation will continue to carefully evaluate the effectiveness and efficiency of the supplemental projects in comparison to the staff attorney mode in order to insure that we are making the best use of tax dollars. Apart from the efforts to improve the efficiency, quality and availability of legal services through the alternative models as mentioned above, there exists no plan for changing the current staff attorney model.

Question: Do you plan to expand the private bar involvement beyond the current requirement of 12.5 percent?

(a) In response to my question last year concerning private bar involvement, it was indicated that the Corporation was in the process of evaluating the effectiveness of the 12.5 percent requirememt. What were the final results of that assessment? Were any recommendations made concerning that program?

Answer: Currently there are no plans to raise the private attorney involvement (PAI) requirement higher than 12.5%. The 12.5%, however, is merely a minimum expenditure level for PAI, and the Corporation actively encourages its recipients to spend more than this required amount. PAI, when effectively used, expands the base of attorneys representing the poor, increases the range of choice for clients, and as demonstrated by the Delivery Systems Study, affords viable, cost effective service. In sparsely-populated areas, it is useful in extending outreach, and it is more cost effective than the occasional visits of a staff attorney. Widespread use of PAI promises to make available to eligible clients a greater diversity in services and a higher degree of specialization than would be available through a mandated limit on the number of staff attorneys.

Because of Gramm-Rudman budgetary restraints, the Corporation is encouraging its recipients to find creative new approaches to the delivery of legal services that will enable them to use limited resources strategically and effectively. Expanded *pro bono* efforts will play an important role in these efforts to ensure continued delivery of quality legal services to the poor.

(a) The Corporation conducted an extensive study of the degree to which local programs have complied with the 12.5% standard. At the May 23, 1985, meeting of the Operations and Regulations Committee, the Office of Field Services presented a preliminary program-by-program study of the amount of money spent on PAI. To prepare this study, Corporation staff reviewed the 180 audit files of the programs whose fiscal years ended on December 31, 1984.

These were the first programs that were required to report PAI expenditures separately on their audits. The Office of Field Services took a number of steps to doublecheck the preliminary figures presented at the May meeting. On May 17, before the meeting, the Corporation mailed a copy of the statistics to all LSC recipients and Regional Offices. On June 7, a draft copy of a revised and expanded PAI report, with a request for review and comment, was express mailed to all Regional Offices. Between June 1 and June 17, LSC staff in Washington, D.C., contacted all nine Regional Offices and verified the statistics with them. The revised figures showed that 20.8% of the programs reviewed (37 out of 180) had fallen short of the 12.5% level of compliance.

In conducting this preliminary study, the Corporation discovered that its current recordkeeping requirements were not thorough enough to allow it to evaluate PAI effectively. It is expected that new recordkeeping requirements will rectify this situation.

Question: Please provide for the record what each state is spending per poor person.

Answer: Please see attached "1985 Basic Field Program Funding Levels by State".

LEGAL SERVICES CORPORATION
1985 BASIC FIELD PROGRAM FUNDING LEVELS BY STATE

STATE	POVERTY POPULATION	PERCENT OF NATION	BASIC FIELD			STATE SUPPORT		COMBINED*	
			FUNDING	PER CAPITA	PERCENT OF NATION	FUNDING	PER CAPITA	PER CAPITA	DEVIATION FR NATL AVERAGE
ALABAMA	719,905	2.44	$ 6,198,716	$ 8.61	2.49	$ 190,079	0.26	$ 8.87	0.16
ALASKA	41,615	0.14	1,060,122	25.47	0.43	28,624	0.69	26.16	17.45
ARIZONA	308,525	1.05	2,476,107	8.03	1.00	121,780	0.39	8.42	-0.30
ARKANSAS	405,999	1.36	3,636,933	8.96	1.46	114,496	0.28	9.24	0.52
CALIFORNIA	2,626,580	8.92	24,055,574	9.16	9.68	1,292,980	0.49	9.65	0.93
COLORADO	284,429	0.97	2,556,858	8.99	1.03	111,636	0.39	9.38	0.67
CONNECTICUT	242,650	0.82	2,349,110	9.68	0.95	94,435	0.39	10.07	1.35
DELAWARE	68,408	0.23	533,510	7.80	0.21	0	0.00	7.80	-0.92
DISTRICT OF COLUMBIA	113,356	0.38	2,097,905	18.51	0.84	0	0.00	18.51	9.79
FLORIDA	1,287,056	4.37	10,037,667	7.80	4.04	254,187	0.20	8.00	-0.72
GEORGIA	884,383	3.00	7,272,774	8.22	2.93	217,960	0.25	8.47	-0.25
HAWAII	91,618	0.31	909,161	9.92	0.37	0	0.00	9.92	1.21
IDAHO	116,808	0.40	910,978	7.80	0.37	66,802	0.57	8.37	-0.35
ILLINOIS	1,230,541	4.18	9,687,063	7.87	3.90	210,138	0.17	8.04	-0.67
INDIANA	516,190	1.75	4,025,733	7.80	1.62	81,101	0.16	7.96	-0.76
IOWA	286,173	0.97	2,670,069	9.33	1.07	0	0.00	9.33	0.61
KANSAS	231,718	0.79	2,037,804	8.79	0.82	0	0.00	8.79	0.08
KENTUCKY	626,240	2.13	5,368,218	8.57	2.16	198,865	0.32	8.89	0.17
LOUISIANA	764,848	2.60	6,723,695	8.79	2.71	151,674	0.20	8.99	0.27
MAINE	140,996	0.48	1,099,619	7.80	0.44	50,111	0.36	8.15	-0.56
MARYLAND	404,560	1.37	3,155,138	7.80	1.27	71,408	0.18	7.98	-0.74
MASSACHUSETTS	532,458	1.81	5,330,971	10.01	2.15	468,386	0.88	10.89	2.18
MICHIGAN	945,915	3.21	7,435,339	7.86	2.99	427,039	0.45	8.31	-0.40
MINNESOTA	374,956	1.27	3,093,289	8.25	1.24	91,683	0.24	8.49	-0.22
MISSISSIPPI	587,450	1.99	5,626,399	9.58	2.26	196,070	0.33	9.91	1.20
MISSOURI	582,252	1.98	5,036,455	8.65	2.03	0	0.00	8.65	-0.07
MONTANA	88,284	0.30	730,696	8.28	0.29	68,946	0.78	9.06	0.34
NEBRASKA	162,413	0.55	1,494,797	9.20	0.60	0	0.00	9.20	0.49
NEVADA	68,266	0.23	555,456	8.14	0.22	42,095	0.62	8.75	0.04
W HAMPSHIRE	75,364	0.26	676,815	8.98	0.27	60,856	0.81	9.79	1.07
JERSEY	689,491	2.34	5,551,267	8.05	2.23	204,317	0.30	8.35	-0.37
MEXICO	204,877	0.70	1,790,654	8.74	0.72	114,293	0.56	9.30	0.58
NEW YORK	2,298,922	7.81	18,283,519	7.95	7.36	754,628	0.33	8.28	-0.43
NORTH CAROLINA	839,258	2.85	7,269,645	8.66	2.93	229,592	0.27	8.94	0.22
NORTH DAKOTA	76,605	0.26	730,899	9.54	0.29	90,170	1.18	10.72	2.00
OHIO	1,088,962	3.70	8,569,569	7.87	3.45	413,305	0.38	8.25	-0.47
OKLAHOMA	393,666	1.34	3,356,069	8.52	1.35	35,292	0.09	8.61	-0.11
OREGON	273,743	0.93	2,234,821	8.16	0.90	68,698	0.25	8.41	-0.30
PENNSYLVANIA	1,209,819	4.11	9,719,567	8.03	3.91	178,633	0.15	8.18	-0.53
RHODE ISLAND	93,959	0.32	763,258	8.12	0.31	82,728	0.88	9.00	0.29
SOUTH CAROLINA	500,363	1.70	4,325,335	8.64	1.74	135,599	0.27	8.92	0.20
SOUTH DAKOTA	102,036	0.35	857,544	8.40	0.35	0	0.00	8.40	-0.31
TENNESSEE	736,471	2.50	6,262,014	8.50	2.52	189,728	0.26	8.76	0.04
TEXAS	2,053,426	6.97	16,344,951	7.96	6.58	382,264	0.19	8.15	-0.57
UTAH	145,296	0.49	1,133,146	7.80	0.46	31,859	0.22	8.02	-0.70
VERMONT	59,059	0.20	643,635	10.90	0.26	52,370	0.89	11.78	3.07
VIRGINIA	611,310	2.08	5,181,070	8.48	2.09	229,380	0.38	8.85	0.13
WASHINGTON	394,891	1.34	3,286,883	8.32	1.32	104,954	0.27	8.59	-0.13
WEST VIRGINIA	286,995	0.97	2,726,794	9.50	1.10	127,435	0.44	9.95	1.23
WISCONSIN	397,813	1.35	3,283,226	8.25	1.32	92,966	0.23	8.49	-0.23
WYOMING	34,901	0.12	358,421	10.27	0.14	54,368	1.56	11.83	3.11
MICRONESIA	113,713	0.39	886,840	7.80	0.36	0	0.00	7.80	0.92
PUERTO RICO	1,983,201	6.73	15,466,857	7.80	6.22	0	0.00	7.80	-0.92
VIRGIN ISLANDS	31,958	0.11	443,098	13.87	0.18	0	0.00	13.87	5.15
GUAM	16,571	0.06	170,192	10.27	0.07	0	0.00	10.27	1.55
TOTAL	29,447,461	100.00	$248,482,185	$8.44	100.00	$8,183,930	0.28	$8.72	0.00

*Includes Basic Field and State Support Funds

Question: Last year, this Committee provided a 4.6 percent increase for the basic field programs. Have those funds been allocated to the field offices?

Answer: The Joint Explanatory Statement of the Conferees to H.R. 2965 provided for an increase to the basic field programs of just under 4.2 percent. Subsequently, the Gramm-Rudman-Hollings Deficit Reduction Act provided that each budget program, project, and activity be reduced by 4.3 percent. The budget category entitled "Basic Field Programs" was classified as a program, project, or activity and was, therefore, subject to the Gramm-Rudman-Hollings across-the-board reduction. The net result for the programs is an overall reduction of approximately 0.1 percent. Grants at the reduced level are scheduled to be issued on or about April 1, 1986.

Question: Have you spent the carryover balance from FY 1985?

Answer: Much of the Corporation's FY 1985 carryover funds has been expended. The LSC Board of Directors has reviewed its FY 1985 fund balance and has agreed to allocate certain funds into specific budget categories. Pursuant to the reprogramming provisions of P.L. 98-411, the Corporation has provided notification of certain allocation decisions to the Appropriations Committees of both Houses of Congress.

Question: Since 1985, the Corporation has carried forward unobligated balances. Please explain the reasons behind this practice.

Answer: The Corporation has carried forward unexpended funds each year since its inception. The Corporation's funds are fully obligated by the U.S. Government at the time those funds first become available. This is due to the relationship of the Corporation to the Federal Government. There are several reasons why LSC has established the practice of carrying forward unexpended funds.

The Corporation attempts to manage its resources carefully and does not follow a practice of spending unwisely solely for the sake of using its available funds. Prudent financial management dictates that a certain amount of reserve funds be available from one year into the next because of the Corporation's legal and fiscal status. Furthermore, LSC is involved in many long-term programs that have been allocated budgetary resources, but do not require the payment of cash until future periods. It is prudent, in these cases, to reserve funds in the event that resources are not available in the future to meet contractual commitments.

With regard to the LSC carryover for FY 1985, $8 million, or 45%, of the Corporation's fund balance was the result of a supplemental appropriation for two law schools which had not been disbursed by year-end. Another $3.8 million, or 22%, was the result of a modification of the method in which the Reginal Heber Smith Fellowship Program was managed, without affecting any actual fellowship payments. Smaller amounts of funds were carried forward due to the normal delays in implementing several new initiatives in FY 1985 and because of the transition in LSC management. Finally, some funds were carried forward because of timing differences in fiscal and contract years, causing partial payments for a given contract year to be disbursed in a future fiscal year.

RESPONSES TO CONGRESSMAN EARLY'S QUESTIONS

QUESTION: The IOLTA program (Interest on Lawyers Trust Accounts) appears to be cost-effective and a great success. How many states do you expect will establish programs in FY 86? in FY 87?

What is the LSC doing to assist states in establishing additional IOLTA programs?

ANSWER: Currently 40 States have adopted IOLTA programs. Of the remaining 10 states, IOLTA programs are under study in three (ND, AL, NJ), have been rejected by the courts in four (WY, IN, WV, MI) and are pending before the courts and legislature in three (WI, PA, ME). It is foreseeable that many of these remaining states will adopt an IOLTA program by FY 1987

LSC has actively encouraged the establishment of IOLTA programs. To date, LSC has awarded grants to 21 states for the development and implementation of IOLTA programs. LSC has spent $368,074 on this endeavor. In addition, LSC has spent $376,569 on the National IOLTA Clearinghouse which provides states with information and materials and assists in the establishment of IOLTA programs.

RESPONSES TO CONGRESSMAN EARLY'S QUESTIONS

QUESTION: The Law School Civil Clinical Research Project appears to be working well, is cost-effective and at the same time provides effective training for future attorneys. What is the status of current negotiations that would extend funding through the current academic year?

Has the Corporation considered expanding this program beyond the 34 law schools it presently funds?

ANSWER: A decision by the Board of Directors has extended funding through the current academic year for the Law School Civil Clinical Research Project. While 14 of the 34 grants will expire in July, the Corporation is looking into annualized grants for the upcoming academic years. Findings on the success and accomplishments of the project to date are compiled in the "Interim One Year Report" on the project. A copy is enclosed for your review.

OFFICE OF FIELD SERVICES

LAW SCHOOL CIVIL CLINICAL RESEARCH PROJECT

INTERIM ONE YEAR REPORT

February 26, 1986

EXECUTIVE SUMMARY
LAW SCHOOL CIVIL CLINICAL RESEARCH PROJECT
INTERIM ONE YEAR REPORT

I. OVERVIEW

The Legal Services Corporation began a Law School Civil Clinical Research Project in the Fall academic semester of 1984. That project was originally scheduled to run 18 months, partially funding a total of 14 geographically dispersed law school clinics. The funded clinics are: University of North Dakota School of Law - $60,000; Southern Methodist University - $70,000; University of Virginia - $95,000; University of Notre Dame - $85,000; Vermont Law School - $70,000; McGeorge School of Law, University of the Pacific - $65,000; William Mitchell College of Law - $70,000; Indiana University School of Law-Indianapolis - $90,000; Gonzaga University School of Law - $75,000; Loyola University at New Orleans, Law School - $90,000; State University of New York at Buffalo - $77,000; University of North Carolina School of Law - $70,000; University of San Diego - $54,000; and, St. Mary's University of San Antonio - $90,000. Now that these clinics have been operational for over one year, data for that period has been accumulated to detail exactly how the law school project has progressed.

II. METHODOLOGY

Six main sources of information have been used to collect data on this project. These include: 1) information contained in the original proposals; 2) expanded case service reports (CSR) data; 3) client satisfaction surveys (CSS); 4) financial expenditure information; 5) program director comments; and, 6) self-selecting student surveys.

III. PRELIMINARY RESULTS TO DATE

A. General

Over the first year of the project, LSC distributed a total of $707,334 to the funded law schools which was matched by approximately $736,883 of non-LSC grant funds from University and other funding sources. A total of 5,173 clients have been seen; 3,471, or 67.10% of those cases have been closed and the remaining 1,702 clients are continuing to receive services. A total of at least 368 LSC funded students have been involved in these clinics, in addition to funded supervisory personnel. But, preliminary data indicates that the number of LSC-funded students during any one semester grew by approximately 53% since the first semester of LSC funding.

B. Augmentation of the Existing Service Delivery System

The funded law school clinics have generally concentrated services in the specific case categories that are the same categories which represent well over a majority of all LSC funded cases nationwide - Family, Housing, Consumer Finance, and Income Maintenance. In fact, 81.47% of all law school cases closed involved these four case types, compared with a national average of 79.20% in these case areas. This trend is generally evident in all funded clinics.

Additionally, the clinics have primarily concentrated on litigated services, and have closed a higher percentage of cases (23.05%) through the CSR case closure categories of "Court Decision", "Administrative Agency Decision" or "Negotiated Settlement with Litigation" than the national average of the basic field programs (17.2%). These services have been provided to clients who are essentially similar in ethnic background to those being served by other LSC funded sources nationwide.

C. Cost of the Program

Costs for the program have been computed via four separate methods: 1) total budgeted cost to LSC; 2) actual LSC cost; 3) total budgeted cost; and, 4) actual total cost. Costs were computed both on an hourly basis and on a cost-per-case basis. But, the service numbers are continuing to increase and until such numbers level off, it is impossible to fairly calculate a cost analysis without over-estimating the cost of the project. For example, all total cost categories decreased by as much as 34.32% from the first six month period to the second six month period, indicating a continual cost decline. Because partial data indicates another increase in students in the Fall 1985 semester, these numbers are likely to decline again.

When LSC examines the cost of this clinical education project as a service delivery supplement, the most appropriate cost figure to look at is the budgeted cost to LSC, since it is comparable to other measures previously used by LSC. The average yearly cost-per-case of $203.78 and the average yearly cost-per-hour of $17.70 are highly competitive with existing service delivery methods, including basic field programs, judicare and reduced fee services. These figures are even more competitive when looking solely at the second six month's average cost of $168.81 per case and $12.21 per hour.

One should remember that, in cost examination, not every type of case or reason for case closure is equally complicated. In recognition of this fact, specific analysis was undertaken to compare the cost of litigated and non-litigated case closures. These comparisons indicate that over the course of the first year, given the same amount of funding, 8 of the 14 funded law schools would have closed a higher number of litigated cases per $10,000 funding than the accumulated average of all basic field programs located in the same state as the law school, including cases closed by judicare, pro bono, reduced fee , and staff attorney models of service delivery.

D. Client Satisfaction with the Program

Of course, cost-effectiveness alone is not the sole measure of the quality of a program. Preliminary client satisfaction data based on CSS responses submitted by 971 clients, represented approximately 27.97% of all clients served. This rate falls within the normal statistical range for self-selecting surveys. These surveys indicated that 93.97% of clients were satisfied with the overall quality of the legal services they received. This level of client satisfaction is graphically demonstrated since 96.98% of the clients noted they would return to the same clinic again if they had another legal problem. A similarly high degree of client satisfaction was basically uniform across all schools.

E. Impact on Students

A total of 351 student surveys have been returned. In addition to demonstrating that responding students spend an average of over 17 hours of clinic work each week, these surveys present interesting insights concerning both recruitment and private attorney involvement. Participating in a law school clinic course appears to increase the number of students interested in pursuing legal services careers by approximately 35%. Not only does clinic involvement affect interest in full time legal services work, but 71.99% of the students responding noted that their clinic involvement had directly affected their willingness to provide pro bono services in the future. Of course, more concrete confirmation of these trends would require a longitudinal study.

IV. CONCLUSION

For these reasons, first year data from the law school clinic project tends to impressively demonstrate the positive effect that such clinics have on service delivery, promotion of private attorney involvement, training, and recruitment. Although totally accurate costs cannot yet be computed due to the continual increase in service levels, preliminary cost data indicates that all of the above four independent goals of the Corporation can be advanced, without giving up the benefit of a highly competitive cost-per-case averaging as low as $168.81. Although all questions remain open until the final analysis, the project appears to be working well.

LAW SCHOOL CIVIL CLINICAL RESEARCH PROJECT

INTERIM ONE YEAR REPORT

I. OVERVIEW

When LSC first conceptualized the Law School Civil Clinical Research project, it was designed to examine the utility of using Law School clinics as a supplement to current LSC services. While the idea of law school clinics was not new, LSC had not specifically examined the concept in depth. Previous funding of law schools was not designed as a research project to collect pertinent information. Further, such activity was neither widespread, nor based on the premise of supplemental service. In the planning stages of the project, LSC contacted governors from every state, as well as all program directors, for their comments. Over 30 governors, as well as a majority of the program directors who responded, wrote to express their support for the initiative.

Given this background, LSC decided to move forward with an 18-month research project designed to examine law school clinics. With input from a variety of sources, including the Department of Education, law schools and local program directors, LSC developed a nationwide solicitation which concentrated on examining law school clinics as they relate to four major goals:

1) Augmenting existing service delivery provided by current LSC grantees to the eligible client population;
2) Enhancing the capacity of law school programs to educate and sensitize law students to legal issues most frequently affecting the LSC-eligible client population;

3) Creating a future group of lawyers interested in providing legal services to poor persons, either as legal aid attorneys or through efforts of the private bar; and

4) Increasing cooperation between established law schools and all segments of the legal community.

In order to maximize the number of applicants, LSC conducted a nationwide solicitation for proposals. All ABA accredited law schools, or law schools accredited by the state bar in which they are located, were eligible to participate. Once the proposals were received, an advisory committee examined each proposal. That committee was chaired by William Pincus, the former president of the Council on Legal Education for Professional Responsibility (CLEPR), and made up of representatives from LSC, including a local program director.

Originally, the project was budgeted at $1.2 million. However, due to a variety of factors, final funding allocations totaled $1,061,000. Basing its decision primarily on the recommendations of the Advisory Committee, LSC funded the following 14 schools. This list includes a brief synopsis of each school's program:

> University of North Dakota School of Law--$60,000. The clinic is responding to a recent change in state law by concentrating on a guardian ad litem program to provide guardians for developmentally disabled LSC-eligible clients.
>
> Southern Methodist University--$70,000. The SMU clinic provides basic services to a specific client group, the elderly. The main focus of the clinic is on probate, family, guardianship, and miscellaneous civil matters.

University of Virginia--$95,000. The LSC grant is being used to develop a civil clinic at this law school in conjunction with a specially developed academic course. The new clinic will primarily resolve family law cases involving spousal and child support obligations, or visitation rights disputes.

University of Notre Dame--$85,000. The LSC grant is being used to create a new unit, the Battered Woman's Division, which will be working closely as a resource for the local funded LSC program.

Vermont Law School--$70,000. The school is using the grant to expand its clinic which primarily serves rural clientele. The grant has enabled the clinic to include state court litigation for the first time, and to establish a full-time internship program with the area's legal service provider.

McGeorge School of Law, University of the Pacific--$65,000. This school is using the grant funds for the in-house provision of direct legal services to LSC-eligible clients in the areas of housing and domestic relations. Additionally, the school plans to activate an alumni pro bono project in conjunction with the clinic.

William Mitchell College of Law--$70,000. Grant funds are being used for an array of general, pressing legal problems, including consumer, housing and government benefits, as well as preventive law counseling.

Indiana University School of Law-Indianapolis--$90,000. Grant funds enabled Indiana/Indianapolis to effectively double the size of its clinic. Primary case types include family law, landlord-tenant cases, social security disability, government entitlement cases and consumer law cases.

Gonzaga University School of Law--$75,000. Grant funds have been concentrated to provide services to particularized client groups such as senior citizens or the developmentally disabled and handicapped, and to provide limited services in the area of family law.

Loyola University at New Orleans, Law School--$90,000. This clinic is using its grant funds to expand existing general clinic services, primarily in the areas of domestic relations, bankruptcy, tort defense, and social security.

State University of New York at Buffalo--$77,000. Grant funds are being used by SUNY/Buffalo to provide services to LSC-eligible clients in housing, bankruptcy and family law cases.

University of North Carolina School of Law--$70,000. Grant funds to North Carolina are being used to maintain its in-house clinic operations. The clinic is providing general case services to LSC-eligible clients throughout a three-county area.

University of San Diego--$54,000. This grant is being used to re-open a student operated, faculty-supervised, neighborhood legal clinic in a geographic area where an existing office had recently closed. The clinic provides services including family law, housing and immigration, to chronically under-represented groups in the San Diego area.

St. Mary's University of San Antonio--$90,000. Working in close conjunction with the local legal aid association, St. Mary's has been able to staff an outreach office in a poverty area of San Antonio. It provides general services with a concentration in family law.

II. METHODOLOGY

In examining this project, advance evaluation planning by LSC resulted in expanded data collection methods in order to maximize the scope of the information base. Such data was gathered at no additional cost to the Corporation and permitted collection of the universe of data for all case activity undertaken. As such, complex sampling methodologies and statistical extrapolations are generally not necessary relative to the cost (budget) and output (CSR) data for each of these clinical projects. Moreover, this data collection strategy parallels other LSC experimental projects currently in progress to facilitate cross-model comparisons when appropriate. The original proposals included a large amount of data and anecdotal information concerning the existing operations of the school's clinics. In addition to this proposal data, each school was required to submit a report at 6-month intervals over the course of the project. At a minimum, this 6-month report incorporates information from:

1) Expanded Case Service Reports - These reports, while containing demographic and case type information similar to those currently submitted by local field programs vary in that they provide disaggregated data. They include such information as demographic data, time data, and case closure data. Time data is not currently reported by local field programs.

2) Client Satisfaction Surveys - Each clinic was provided with a standard client satisfaction survey, available in either English or Spanish. The schools were given instructions that each client should be given these surveys at the end of his/her case. However, the survey is self-selecting in that while clients are encouraged to return it, they are not required to do so. This method was chosen as an alternative to statistical sampling because it allows every client the opportunity and the dignity to respond. Response rates for this self selecting sample exceeded expected ranges according to social science sampling literature. At this time, local field programs may or may not collect client input in similar fashion; no uniform instrument exists nationally for all local field programs.

3) Financial Information - These reports track actual expenditures of all budgeted funds based on the originally approved budgets;

4) Comments - The clinic director at each school had to submit comments chronicling any major accomplishments of the clinic or problems encountered by the clinic, along with suggested solutions; and,

5) Student Surveys - This survey was designed to test changing attitudes in clinic students. It also is a self-selecting survey.

Additionally, each of the schools is subject to site evaluations, which concentrate on verification of the submitted budget and case data, evaluation of the staff, interviews with students, spot checks of filed court documents, and examination of the law school clinics' reputation among the local bar, including Judges and primary opposing counsel. This process is generally planned as part of preparation for the final report. A copy of the expanded CSR form, the CSS form and the student survey form used in this evaluation is appended as Attachment Two. Detailed analysis of the time data collected will be made available at the conclusion of this project.

III. PRELIMINARY RESULTS TO DATE

A) General

In the first year of the Legal Services Corporation's Law School Civil Clinical Research Project, LSC has distributed a total of $707,334 to 14 law schools. This money has been supplemented by non-grant funding which totalled $736,883.60, making the total project budget $1,444,217.60. With this funding, 5,173 clients have been seen during the first year. Of that number, 67.10% or 3,471 of those clients' cases have been closed. The other 1,702 clients were continuing to receive services as the project entered its third

6-month period. Although not all of the clinics' students were funded by LSC money, a total of at least 368 LSC funded students and at least 14 LSC funded supervising attorneys have been involved over a three-semester period: Fall 1984, Spring 1985 and Summer 1985.

B. Augmentation of the Existing Service Delivery System

Looking at the data submitted by the individual law schools, several trends have developed relating to the ability of law school clinics to supplement current service delivery mechanisms. First, of the 10 general types of cases included on the CSR form, the law school clinics concentrated on the same five types of cases as those concentrated upon by field programs, as indicated by the latest available national statistics - Family, Housing, Consumer Finance, Income Maintenance and Other Miscellaneous. In fact, the law schools had a slightly higher concentration overall in these five areas. This dichotomy is even more pronounced looking at the three most frequent case types. Slightly over 60% of all LSC cases closed in 1984 were in the areas of Family, Housing, and Consumer Finance. In those same three areas, the LSC funded law schools have closed over 73% of all their cases - approximately a 21 percentage differential increase. This demonstrates a tendency for these funded law schools to concentrate in specific case categories, the same categories which represent well over half of all LSC cases closed.

Of course, it should be noted that several of the funded clinics were supposed to specialize in one or more types of cases from the outset. For example, two of the clinics were funded specifically as housing clinics and in fact those two schools combined to close over 70% of all housing cases closed in the first year. Therefore, it is just as important to look at the frequency of case types across all fourteen schools. In fact, in the same case categories, Family Law cases were closed at all fourteen schools; Housing cases were closed at thirteen schools; Consumer Finance cases were closed at twelve schools; and, Income Maintenance cases were closed at thirteen schools. This frequency equates to the maximum amount of participation by all clinics for all case types, and it coincides with the top categories of cases currently closed nationwide by LSC field offices.

A second important trend can be seen in examining the reasons for case closure. In providing service to clients, the law schools have primarily concentrated on litigated cases - those that are closed by reason of Court Decision, Administrative Agency Decision or Negotiated Settlement with Litigation. During the first year of the project, a total of 23.05% of all law school cases handled by these clinics were closed as litigated cases. This compares to an LSC national average of 17.2% of cases closed in the identical manner, a 34.01% differential increase in law school clinics. This differential is even more pronounced in the second six months, after allowing some initial time for start up, during which 25.87% of all law school cases were closed in a litigated method. Given the maximum educational benefits derived from litigated cases, this result should be expected. In fact, the law school clinics averaged a higher percentage of case closure by litigated methods in both reporting periods.

Conversely, looking at the arguably less complicated area of Advice Only, the LSC national average was 33.8% of all cases closed in that manner - over two times the yearly percentage (14.3%) of law school cases closed through Advice Only. This equates to a 57.54% differential decrease in cases closed by Advice Only in the funded law school clinics.

One statistic of concern is that 16.13% of all law school cases were closed by Client Withdrawal or Failure to Return. This compares with a 1984 LSC national average rate of 9.3%. This statistic, when combined with client satisfaction survey (CSS) data, poses several interesting questions. Clients returning the CSS form overwhelmingly felt that they were always treated with respect, in a confidential and professional manner by the law students. However, a somewhat higher percentage of clients noted the inconvenience of the law school clinics. Perhaps this can explain the high failure to return rate.

A second explanation could involve the method of filling out the CSR (reason for case closure) form itself. Interestingly, when the Advice Only column and the Client Withdrew or Failed to Return column are combined, the law school percentages and the LSC national percentages are reversed (law school: Advice Only 14.35% + Withdrew/Failed to Return, 16.13% = a total of 30.48%; National average: Advice Only 33.8% + Withdrew/Failed to Return 9.3% = 43.10%) This could indicate that cases where the client was initially seen but does not return after the first visit could have been used interchangeably with Advice Only cases by some basic field recipients filling out the CSR reports. Only further analysis of these figures will provide an answer as to why the law school percentage of cases closed by Client Withdrawal or Failure to Return is higher. Lack of comparable time data for LSC basic field recipients renders specific comparisons and analysis difficult. Such data would tend to support or refute this explanation.

One final service trend can be evidenced from the data concerning the background of clients served by the law schools. Demographic data indicates that the law schools are roughly serving the same percentages of minority clients as are handled by the current LSC field programs. But, two observations should be made. First, only .58% of the closed cases by the law school clinics were for Native Americans, as opposed to the National average of 2.3%. However, it should be remembered that none of the funded research projects were targeted specifically at the Native American population. Conversely, in 1984 LSC spent a sum exceeding $6.8 million, or roughly 2.75% of all basic field appropriations to specifically serve Native American clients. The divergence would therefore be expected.

Second, the overall percentage of hispanics served in the clinics is lower than the National average by a factor of 1.3 (National 15.6%, clinic 11.96%). Again, targeting factors must be considered in that the research project was designed to maximize nationwide distribution. Clinics in those areas of the country, such as Texas or Southern California, where the hispanic population is more concentrated, in fact served a majority of hispanic clients. Therefore, the clients being served by law school clinics appear to be essentially similar in ethnic make-up to those being served by other LSC funded sources nationwide.

C. Cost of the Program

In examining this data, one overriding point has to be made. Throughout the first year of the project, the statistics indicate that the service numbers have been generally increasing. This statement holds true for statistics involving completed cases, numbers of students, and numbers of total hours. The only exception, which should have been expected, is the decreases during examination periods, and vacation or holiday break time. Not all of the schools ran fully staffed summer sessions.

The increases are most dramatically seen in comparing reports from the first six months to reports from the second six months. At the same time, budgeted costs to LSC and the Universities have remained constant. Consequently, cost-per-case estimates based on budgeted items have decreased by 34.32% from the first six months to the second six months. Similarly, though actual costs have increased, cost-per-case estimates based on actual costs have decreased by approximately 20% from the first six months to the second six months.

Several reasons could explain these cost decreases. The decreases in costs could be attributable to the major increases in students over the period. From the Fall of 1984 to the Spring of 1985, there was approximately a 31.34% increase in the number of LSC-sponsored students. Preliminary data from 7 of the 14 schools indicates a continued 4.95% increase in the number of students enrolled in the Fall of 1985. Overall then, there has been approximately a 53.62% increase in the number of LSC-sponsored students within the first year of the project. This student increase graphically depicts the start-up time associated with expansion or development of a clinical program.

The decreases in cost-per-case could also be attributable to a learning curve associated with the newly-hired supervising attorneys. Each of the 14 funded schools used the LSC money to concentrate on hiring new supervisory personnel. As those attorneys become more comfortable with the new jobs, it is only logical that efficiency would increase, concurrently with a resulting decrease of all cost figures.

Whatever the reason, until the activity reaches a plateau at a certain rate, it is impossible to fairly calculate costs, especially in a manner which has predictive value for future endeavors. As long as the service numbers are increasing, any cost analysis runs the risk of overestimating the cost of the projects.

Cost figures have been computed as an hourly cost figure, as well as a per case cost figure. As such, they should allow comparison with a variety of existing service delivery methods. Such figures have also been computed using four basic methods:

A) Total Budgeted cost to LSC, which is figured exclusively on the amount of basic funding LSC gave to the schools;

B) Actual LSC cost, which is figured using actual expenditures of LSC funds found on the expense reports submitted by the schools on a 6-month basis;

C) Total Budgeted cost, which is figured using the total amount of LSC and non-grant funds contained in the previously approved 18-month project budgets; and

D) Actual Total cost, which is figured using the actual total project expenditures of LSC and non-grant funds, submitted on a 6-month basis.

By examining each of these figures, one is able to get a precise picture of what LSC funds have accomplished and the extent to which LSC has been able to leverage its funds through cooperation with law schools. By working with law schools, LSC has directed university funds allocated for civil legal clinics to be targeted specifically at the types of clients and cases LSC is Congressionally mandated to serve. Therefore, the leveraging process has greatly expanded service levels to LSC-eligible clients at a reduced cost.

Conversely, the four methods of cost computation graphically demonstrate the amount by which law schools have been able to leverage their limited funds. By cooperating with LSC, law schools have been able to offer clinical training to a much larger number of students, at a fraction of the cost which it would normally cost the law school. Consequently, the cost figures demonstrate exactly how the public and private sectors have been able to cooperate both for their mutual benefit and the benefit of the poor.

However, when LSC examines the cost of clinical education as a service delivery supplement, the only appropriate cost figure to look at is the cost to LSC. This philosophy is consistent with all previous measures used by the Corporation to gauge costs. For example, when examining the cost of local field programs, calculations in previous LSC fact books have been based solely on basic field costs, and have not included other non-LSC leveraged funds or other specially allocated LSC money. Similarly, when examining the cost of Pro Bono services, Judicare, or reduced fee services, comparisons generally have not included cost figures for the value of attorney hours that have been essentially volunteered to leverage the use of LSC funds. Consequently, the amount of leverage of LSC funds provided by non-grant sources should not be calculated in cost figures, which assess the LSC cost.

Given this background, the national average costs of service delivery in the clinical research project are, at a minimum, highly competitive with existing delivery mechanisms. For example, the yearly LSC budgeted cost-per-case of $203.78 through the law school clinics is competitive with costs per closed case for basic field programs; the one year hourly cost rate of $17.70 is actually lower than most Judicare or reduced fee rates. It is important to remember that this figure includes not just law student time, but also supervising attorney time as well.

These figures are even more impressive when looking exclusively at data for the second six month reporting period. The second six month's average hourly rate of $12.21 is less than 50% of the general reduced fee rate of $25.00 per hour. Similarly, the per case cost of $168.81 is also significantly less than the yearly average per case cost. Given the fact that the project is continuing to expand the number of student participants, this second six month data is probably more reliable than the yearly figures. Until the figures level off, it is difficult to compute accurate averages.

One final point must be made when dealing with a cost analysis. Not every type of case and not every reason for case closure are equally complicated. As can be seen from charts A-4 and A-6 dealing with the types of cases and reasons for case closure, the law schools have a wide disparity in case types and case closures (See B above). This could account in part for the wide fluctuations in case costs between programs, which is exactly why average figures have been used in assessing the total impact of the report.

A comparison of case complexity and case costs can be seen in chart A-16. This breaks out the cost of litigated and non-litigated cases per $10,000 in LSC funding, a statistic used in order to be comparable with other data collected in the 1985 LSC Fact Book concerning other existing LSC service delivery. In this comparison, it is important that law schools are not being compared solely to specific programs or types of programs in this chart, but only to the sum total of all current LSC recipients in a state using all methods of case closure, including case closures by Judicare, staff attorneys, and forms of PAI. The importance of using the same state statistics is that the law schools and those programs will operate under the same sets of laws and general court rules, thereby eliminating those variables from the comparison.

Essentially, this chart shows that over the course of the first year, 8 of the 14 schools closed a higher number of litigated cases per $10,000 funding than the average of all field programs located in the same state as the law school. Similarly, 5 of the 14 clinics closed more non-litigated cases per $10,000 in funding than the average of programs located in their state. Not only does this statistic exemplify the higher number of litigated cases closed in the law school clinics, but it also tends, at a minimum, to demonstrate at least an equal cost-effectiveness as the existing models of client services delivery.

D. Client Satisfaction With the Program

Even though the LSCCP utilized a self-selecting client satisfaction survey sample, there was a respectable 49.64% return rate, representing the views of 971 clients. This represented 27.97% of all clients who received legal services from clinic students. Several interesting things can be seen from the client survey data. Overall, even though only 76.43% of those responding were satisfied with the outcome of their case, 89.98% of the clients were convinced that the clinic had represented the client's "point of view", 90.60% of the clients felt their problems were handled in a "professional manner", and 93.97% of those responding were satisfied with the overall quality of legal services provided.

Probably the best indication of quality is that 96.98% of the clients responding noted they would come back to the same clinic again if they had a legal problem. The overall impact of that statistic can best be judged when considered against the fact that in 9 out of the 14 clinics, more than 10% of the responding clients felt the clinic location was inconvenient. Interestingly enough, those clinics which appeared to be the least convenient also generally had the highest rates of clients who would return for future legal problems. Clearly, clients were satisfied with the legal work to such a degree that the apparent inconvenience of the location was not a major factor.

It should also be noted that this inconvenience may not be particular to the law school clinics. For example, the fourth most inconvenient location (with 18.42% of the respective clinic's clients concurring) happened to be in a law school clinic which was located in and operating out of the local legal services office. Further, those clinics whose clients judged them to be most inconvenient with regard to location generally presented the least problems for clients to schedule convenient appointment times. For these reasons, the potential problem of location inconvenience is minimized.

One final point should be noted. According to the client surveys, the two questions which clients felt most strongly about were: 1) whether the client was satisfied he had been treated with respect, and 2) whether the client was satisfied the clinic handled his case in a confidential manner. These two questions showed the lowest rate of indifference of client attitude - with 1.68% indifference and 1.91% indifference, respectively. Importantly, less than one percent (.95%) of the clients felt that the law students treated them disrespectfully. An even smaller percentage (.85%) of the clients felt concerned that confidentiality of their discussions with the students was a problem. This is important because it tends to demonstrate that even in an educational setting, law students did not let the demands of educational requirements, or statistical information gathering interfere with handling the client's legal problem in an appropriately professional and respectful manner.

E. Impact on Students

As was noted earlier, each student enrolled in an LSC funded clinic was supposed to be given the opportunity to complete a student survey, regardless of whether their position was financed with LSC funds. In order to give the surveys the maximum effect, it was decided at a meeting of all clinic directors that they should be distributed at the end of the clinic term. To date, 351 of these surveys have been returned, although not every respondent answered each question.

The results of this survey to date indicate that overall, students are averaging over 17 hours of clinic work per week. While the most students have been actively involved with Family law matters, large numbers had also been involved with Housing and Income Maintenance cases. Given the distribution of clinic case closures, this was to be expected.

At this point, there appears to be two reflections of student attitudes which are most noteworthy. The first deals with the idea of Legal Services as a profession and the second impacts upon private attorney involvement.

Going in to the clinic, 53.47% of the students responding noted that they had not considered providing legal services to indigent clients as a career choice. However, after exposure to the clinics, 63.05% of the students responded that they would consider that option. This equates to a 35.50 percentage increase in students considering Legal Services for their future.

A second interesting statistic is in the area of pro bono or reduced fee activity. When they entered the clinic, 63.82% of those students who had prior

Legal work experience had not been exposed to pro bono activity while on the job. In fact, 64.27% of the students noted that this clinic work was their first experience in dealing with indigent clients. Yet, by the end of their clinic activity, 95.54% of the students responding noted that they felt more confident in their ability to handle a case for an indigent client, as a direct result of their involvement with the clinic. Further, 71.99% of the students note that their clinic activity has directly affected their willingness to provide pro bono services in the future. While confirmation of this attitude would require a more long range longitudinal study, in the short term, the figures indicate that these students seem to have been sensitized to the legal needs of a group of clients to whom they had rarely been exposed.

IV. CONCLUSIONS

Experience over the first year of LSC's Law School Civil Clinical Project demonstrates that the project seems to be accomplishing the major goals which were set over two years ago.

Clearly, the funded law school clinics have augmented existing service delivery. Not only have 5,173 clients been seen but, by the end of the year, 61% of those cases had been closed. Further, the clinics have concentrated on the major case categories which most frequently affect LSC-eligible clients. Although targeted Clinics aimed at particular types of cases seem to be working most effectively in these areas, the same priority case areas are represented in virtually all clinics. Finally, the clinics seem to be zealously advocating for their clients as reflected in the high percentage of litigated cases. This is reflected not only in the case closure statistics, but also in the client satisfaction data which shows over a 90% approval rate in each of several approval rating categories.

Of course, from the law school perspective, the primary purpose of a clinic is not service delivery, but education. This project has so far indicated that one can have both. The Law Schools are insisting on rigorous training which requires more than an average of 17 hours of clinic work per week. Again, this training seems to be concentrated in those five areas of the law most frequently affecting LSC-eligible clients.

As judged by student perspectives, this educational process seems to be working. At conclusion of the clinic, over 95% of the students felt more confident in their respective ability to handle an indigent's case. As judged from both the student and client perspective, the sensitization seems to be working. Even though the majority of students had never had professional contact with indigent clients before, the students have unquestionably been able to deal with their clients in a professionally respectful manner.

Finally, now that the students are aware of the problems affecting the indigent with whom they had never before dealt, the students appear to be more receptive to working toward solving similar problems in the future. They are more likely to consider legal services a full-time option; at a minimum, they appear to be more pre-disposed toward the idea of providing pro bono or reduced fee services as a member of the private bar.

For these reasons, first year data from the law school clinic project tends to support the positive effect that such clinics have on service delivery, promotion of private attorney involvement, training, and recruitment. Although totally accurate costs cannot yet be computed due to the continual increase in service levels, preliminary cost data indicates that all four independent goals of the Corporation can be advanced, with a highly competitive cost-per-case ranging as low as $168 from the interim data analysis.

Of course, as with any interim data, this report has left several yet to be answered questions. For example, service levels need to be monitored to ascertain any plateau so that more accurate costs can be completed. Although a more long term survey is needed to judge the lasting impact on pro bono services, most of the questions should be answered by the end of the project. At this point, however, the project appears to be working well.

TABLE OF ATTACHMENTS

ATTACHMENT A--Supporting Statistical Information

A-1 Basic Information Chart

This chart reflects LSC funding, cases closed and cases pending during both the first and second six months and cumulated for yearly figures.

A-2 Summary of Students

This information summarizes the placement of students in the clinics over a four semester period.

A-3 Client Demographic Data

This chart focuses on client composition for all closed cases by the law school clinics during the course of the year.

A-4 Types of Cases Closed

This data indicates the percentage of cases closed by 10 general categories both within each law school and combined. Data is entered separately to reflect cases closed during the first and second six months and cumulated for yearly averages.

A-5 Comparison of Case Types Closed Across Different Delivery Models

This chart examines national statistics for cases closed by the Law School Clinics, staff attorneys, PAI, and total LSC, by looking at both the top 3 and the top 5 percentage categories for each method of closure.

A-6 Reasons for Case Closure

This data indicates the percentage of cases closed, both within each law school and combined, by each of 11 reasons for closure. The information is separated to reflect cases closed during the first and second six months and cumulated for yearly averages.

A-7 Comparison of Litigated/Non-Litigated Case Closure

This chart compares the percentage of litigated and non-litigated case closures per school to the similar national statistics. For staff attorney, PAI, and total LSC case closure. It is broken out into separate statistics for the first and second six months as well as the yearly totals.

A-8 Comparison of Percentage of Funding with the Percentage of Output

This chart compares the percentage of funding to the percentage of cases closed, hours worked, cases closed and pending and litigated cases.

A-9 Total Costs Per School

This chart examines 4 basic types of cost which could be used to assess cost-effectiveness. Each is figured for the first and second six months, as well as the yearly total.

A-10 Comparison of Closed Cases

This chart compares the cases closed at each of the individual schools as a percentage of the total number of cases closed in both reporting periods, as well as cumulatively.

A-11 Average Cost Per Case Closed

This chart computes the average cost-per-case using four different methods for each individual school and cumulatively, for the first and second six months, and the yearly total.

A-12 Comparison of Total Hours

This chart compares the hours worked at each individual school as a percentage of the total number of hours worked in both the reporting periods and the cumulative one year total.

A-13 Average Cost Per Hour

This chart computes the average cost per hour using four different methods for each individual school and cumulatively for the first and second six months and the yearly total.

A-14 Comparison of Total Closed and Pending Cases

This chart compares the total number of closed and pending cases, as a percentage of all closed and pending cases, at the close of both reporting periods, as well as cumulatively.

A-15 Average Cost Per Total Cases Closed and Pending

This chart computes the average cost per cases closed and pending using four different methods for each individual school, and cumulatively, for the first and second six months and the yearly total.

A-16 Cases Closed Per $10,000 of Basic LSC funding

This chart compares the law school clinics with statistics for the states in which they are located. The statewide statistics have calculated the number of litigated and non-litigated cases per $10,000 funding closed by all LSC funded service delivery methods in that state, exclusive of this project. The comparable figures showing litigated and non-litigated cases closed per $10,000 in funding for each law school, and the cumulated average have also been included.

A-17 Client Satisfaction Survey Distribution and Return Rate

This chart reflects client distribution and return rates for the CSS form.

A-18 Client Satisfaction Survey Results

These charts cumulate the yearly results of the client satisfaction surveys.

A-19 Student Survey Results

These charts cumulate the student survey results with regard to workload, changing attitudes and attitudes toward pro bono.

A-20 Increase in Case Closure Per $10,000 Funding (From Period One to Period Two

This chart examines increases in cases and students over the first year of the grant.

A-21 Graphs Showing the Increases in Closed Cases

This graph tracks the number of closed cases during the academic year.

ATTACHMENT B--Information Gathering Instruments

B-1 Expanded Case Service Report Form (CSR)

B-2 Client Satisfaction Survey Form (CSS)

B-3 Student Survey Form

Attachment A-2

SUMMARY OF STUDENTS

LAW SCHOOL	FALL 1984		SPRING 1985		SUMMER 1985		FALL 1985	
	Total	LSC Funded	Total	LSC Funded	Total	LSC Funded	Total	LSC Funded
Gonzaga	15	5	17	5	-	-	-	-
Indiana	5	-	13	5	5	5	9	9
Loyola	13	13	13	13	10	10	16	16
McGeorge	84	15	94	15	16	2	-	-
North Dakota	8/3	8/3	8/7	8/7	1	1	9	9
Notre Dame	22	0	22	5	22	5	-	-
San Diego	10	10	12	12	-	-	-	-
SMU	18	15	20	16	6	5	15	15
St. Mary's	9	8	9	9	8	8	-	-
SUNY/Buffalo	26	10	24	10	12	3	20	7
UNC	23	12	24	12	24	12	-	-
UVa	21	21	43	43	0	0	43	43
Vermont*	15	15	17	17	0	0	-	-
Wm. Mitchell	16	7	16	7	7	7	15	7
TOTALS:	280	134	331	176	111	58	127	106

*Vermont's program kept the same number of students, but increased the semester from part-time (6 hours) to full-time (13 hours)

BASIC INFORMATION CHART

	Total Funding	Funding For 1st 6 Mos.	Cases Closed 1st Six Months	Cases Pending 1st Six Months	Cases Closed & Pending 1st Six Months	Funding for 2nd Six Mos.	Cases Closed 2nd Six Months	Cases Pending 2nd Six Months	Cases Closed & Pending 2nd Six Months	Yearly Funding	Yearly Total Cases Closed	Yearly Total Cases Closed & Pending
Gonzaga	75,000	25,000	142	316	458	25,000	229	280	509	50,000	371	651
Indiana	90,000	30,000	63	79	142	30,000	159	134	293	60,000	222	356
Loyola	90,000	30,000	34	124	158	30,000	96	156	252	60,000	130	286
McGeorge	65,000	21,667	360	558	918	21,667	627	457	1,084	43,333	987	1,444
North Dakota	60,000	20,000	67	27	94	20,000	94	30	124	40,000	161	191
Notre Dame	85,000	28,333	43	57	100	28,333	111	56	167	56,667	154	210
San Diego	54,000	18,000	37	40	77	18,000	53	77	130	36,000	90	167
SMU	70,000	23,333	11	76	87	23,333	112	50	162	46,667	123	173
St. Mary's	90,000	30,000	84	107	191	30,000	132	116	248	60,000	216	332
SUNY/Buffalo	77,000	25,667	227	164	391	25,667	144	101	245	51,333	371	472
UNC	70,000	23,333	41	58	99	23,333	68	41	109	46,667	109	150
U VA	95,000	31,667	0	88	88	31,667	62	78	140	63,333	62	140
Vermont	70,000	23,333	216	97	313	23,333	159	97	256	46,667	375	472
William Mitchell	70,000	23,333	51	45	96	23,333	49	29	78	46,667	100	129
TOTALS	1,061,000	353,667	1,376	1,836	3,212	353,667	2095	1,702	3797	707,334	3471	5173

Attachment A-3
Page 1 of 3

CLIENT DEMOGRAPHIC DATA--ETHNICITY
(First 6-Month Period)

Schools	ETHNIC GROUPS											
	Native American		Asian		Black		Hispanic		White		Total	
	Clients	%	Clients	%	Clients	%	Clients	%	Clients	%	Clients	%
Gonzaga 370	4	2.84	0	0	0	0	2	1.42	135	95.74	141	12.12
Indiana 216	0	0	0	0	23	38.33	1	1.67	36	60.00	60	5.16
Loyola 125	0	0	0	0	25	73.53	0	0	9	26.47	34	2.92
McGeorge 982	3	.84	9	2.51	100	27.93	32	8.94	214	59.78	358	30.78
North Dakota 161	0	0	0	0	0	0	0	0	67	100.00	67	5.76
Notre Dame 126	0	0	4	9.3	5	11.63	3	6.98	31	72.09	43	3.70
San Diego 88	0	0	0	0	4	10.81	21	56.76	12	32.43	37	3.18
SMU 123	0	0	0	0	4	36.36	2	18.18	5	45.45	11	.95
St. Mary's 214	0	0	0	0	9	10.84	67	80.72	7	8.43	83	7.14
SUNY/Buffalo 369	0	0	1	.44	89	39.38	6	2.65	130	57.52	226	19.43
UNC 109	0	0	0	0	18	43.90	0	0	23	56.10	41	3.53
Vermont 51	0	0	0	0	0	0	0	0	15	100.00	15	1.30
Wm. Mitchell 97	0	0	0	0	5	10.64	1	2.13	41	87.23	47	4.04
TOTAL	7	.60	14	1.20	282	24.25	135	11.61	725	62.33	1163	100

Attachment A-3
Page 2 of 3

CLIENT DEMOGRAPHIC DATA--ETHNICITY
(Second 6-Month Period)

	ETHNIC GROUPS											
	Native American		Asian		Black		Hispanic		White		Total	
Schools	Clients	%	Clients	%	Clients	%	Clients	%	Clients	%	Clients	%
Gonzaga 370	0	0	4	1.75	6	2.63	2	.87	216	94.73	228	11.89
Indiana 216	0	0	0	0	69	44.51	1	.64	85	54.85	155	8.08
Loyola 125	1	1.10	0	0	60	65.93	4	4.40	26	28.57	91	4.74
McGeorge 982	2	.32	10	1.62	157	25.48	66	10.71	381	61.85	616	32.12
North Dakota 161	2	2.13	0	0	0	0	0	0	92	97.87	94	4.90
Notre Dame 126	0	0	7	8.53	11	13.41	4	4.87	60	73.17	82	4.28
San Diego 88	0	0	2	3.92	3	5.88	35	68.63	11	21.57	51	2.65
SMU 123	0	0	0	0	33	29.46	11	9.82	68	60.71	112	5.84
St. Mary's 214	0	0	0	0	9	6.87	99	75.57	23	17.56	131	6.83
SUNY/Buffalo 369	3	2.10	1	.70	59	41.26	4	2.79	76	53.15	143	7.46
UNC 109	0	0	1	1.47	32	47.06	1	1.47	34	50.00	68	3.55
Univ. of VA 62	0	0	0	0	18	29.03	0	0	44	70.97	62	3.23
Vermont 51	0	0	0	0	0	0	1	2.78	35	97.22	36	1.88
Wm. Mitchell 97	2	4.08	0	0	5	10.20	7	14.29	35	71.43	49	2.55
TOTAL	10	.52	25	1.30	462	24.08	235	12.25	1186	61.80	1918	100

Attachment A-5

COMPARISON OF CASE TYPES CLOSED ACROSS DIFFERENT DELIVERY MODELS

Types of Cases Closed

Top 3 Categories:

Law Clinics 1st Year		1984 Staff Att. Cases		1984 PAI Cases		1984 Total Cases	
Type	%	Type	%	Type	%	Type	%
Family	31.14	Family	25.90	Family	55.10	Family	29.20
Housing	29.73	Housing	20.30	Consumer Finance	10.50	Housing	19.10
Consumer Finance	12.10	Income Maint.	19.50	Other Misc.	10.50	Income Maint.	18.20
Total	72.97	Total	65.70	Total	76.10	Total	66.50

Top 5 Categories:

Law Clinics 1st Year		1984 Staff Att. Cases		1984 PAI Cases		1984 Total Cases	
Type	%	Type	%	Type	%	Type	%
Family	31.14	Family	25.90	Family	55.10	Family	29.20
Housing	29.73	Housing	20.30	Consumer Finance	10.50	Housing	19.10
Consumer Finance	12.10	Income Maint.	19.50	Other Misc.	10.50	Income Maint.	18.20
Other Misc.	9.94	Consumer Finance	12.70	Housing	9.90	Consumer Finance	12.40
Income Maint.	8.50	Other Misc.	10.40	Income Maint.	7.80	Other Misc.	10.50
Total	91.41	Total	88.80	Total	93.80	Total	89.40

Attachment A-3
Page 3 of 3

CLIENT DEMOGRAPHIC DATA--ETHNICITY
(One Year Period)

	ETHNIC GROUPS											
	Native American		Asian		Black		Hispanic		White		TOTAL	
Schools	Clients	%	Clients	%	Clients	%	Clients	%	Clients	%	Clients	%
Gonzaga 370	4	1.08	4	1.08	6	1.62	4	1.08	351	95.12	369	11.98
Indiana 216	0	0	0	0	92	42.79	2	5.93	121	56.27	215	6.98
Loyola 125	1	.80	0	0	85	68.00	4	3.20	35	28.00	125	4.06
McGeorge 982	5	.51	19	1.95	257	26.38	98	10.06	595	61.08	974	31.61
North Dakota 161	2	1.24	0	0	0	0	0	0	159	98.76	161	5.23
Notre Dame 126	0	0	11	8.80	16	12.80	7	5.60	91	72.80	125	4.06
San Diego 88	0	0	2	2.27	7	7.95	56	63.64	23	26.14	88	2.86
SMU 123	0	0	0	0	37	30.08	13	10.57	73	59.35	123	3.99
St. Mary's 214	0	0	0	0	18	8.41	166	77.57	30	14.02	214	6.95
SUNY/Buffalo 369	3	.81	2	.54	148	40.11	10	2.71	206	55.83	369	11.98
UNC 109	0	0	1	.92	50	45.87	1	.92	57	52.29	109	3.54
Univ. of VA 62	0	0	0	0	18	29.03	0	0	44	70.97	62	2.01
Vermont 51	0	0	0	0	0	0	1	1.96	50	98.04	51	1.66
Wm. Mitchell 97	3	3.09	0	0	10	10.31	8	8.25	76	78.35	96	3.12
TOTAL	18	.58	39	1.27	744	24.15	370	12.00	1911	62.00	3082	100

*N = 3,082

Attachment A-4
Page 1 of 3

TYPES OF CASES CLOSED
(First 6-Month Period)

	Consumer Finance		Education		Employment		Family		Health		Housing		Income Maintenance		Individual Rights		Juvenile		Mis-cellaneous		TOTAL	
	Case Total	%	Case Total	%	Case Total	%	Case Total	%	Case Total	%	Case Total	%	Case Total	%	Case Total	%	Case Total	%	Case Total	%	Case Total	%
Gonzaga	31	21.83	1	.70	8	5.63	36	25.35	3	2.11	13	9.15	16	11.28	11	7.75	1	.70	22	15.49	142	10.32
Indiana	11	17.46	1	1.59	7	11.11	22	34.92	0	0	11	17.46	8	12.69	0	0	1	1.59	2	3.17	63	4.58
Loyola	2	5.88	0	0	1	2.94	21	61.76	0	0	1	2.94	5	14.70	0	0	4	11.76	0	0	34	2.47
McGeorge	39	10.83	0	0	6	1.67	120	33.33	1	.28	148	41.11	2	.56	20	5.56	3	.83	21	5.83	360	26.16
North Dakota	0	0	0	0	0	0	61	91.04	0	0	1	1.49	5	7.47	0	0	0	0	0	0	67	4.87
Notre Dame	13	30.23	0	0	1	2.33	5	11.63	0	0	12	27.91	3	6.98	2	4.65	0	0	7	16.28	43	3.13
San Diego	16	43.24	0	0	0	0	3	8.11	0	0	5	13.51	1	2.70	10	27.03	0	0	2	5.41	37	2.69
SMU	1	9.09	0	0	0	0	3	27.27	0	0	0	0	2	18.18	0	0	0	0	5	45.45	11	.80
St. Mary's	5	5.95	0	0	0	0	30	35.71	1	1.19	5	5.95	6	7.17	0	0	1	1.19	36	42.86	84	6.10
SUNY/ Buffalo	49	21.59	0	0	5	2.20	0	0	0	0	163	71.80	9	3.96	0	0	0	0	1	.44	227	16.50
UNC	4	9.76	0	0	2	4.87	7	17.07	2	4.87	13	31.71	11	26.83	1	2.44	0	0	1	2.44	41	2.98
U VA	N/A																					
Vermont	17	7.87	2	.93	11	5.09	100	46.30	3	1.39	38	17.59	18	8.33	8	3.70	2	.93	17	7.87	216	15.70
William Mitchell	3	5.88	0	0	4	7.84	1	1.96	1	1.96	21	41.18	18	35.29	3	5.88	0	0	0	0	51	3.71
TOTAL (1st 6) Months)	191	13.88	4	.29	45	3.27	409	29.72	11	.80	431	31.32	104	7.56	55	4.00	12	.87	114	8.28	1376	100.00

Five (5) highest categories:		
	Housing	- 31.32
	Family	- 29.72
	Consumer Finance	- 13.88
	Other	- 8.28
	Income Maintenance	- 7.56

TYPES OF CASES CLOSED
(Second 6-Month Period)

	Consumer Finance		Education		Employment		Family		Health		Housing		Income Maintenance		Individual Rights		Juvenile		Mis-cellaneous		TOTAL	
	Case Total	%	Case Total	%	Case Total	%	Case Total	%	Case Total	%	Case Total	%	Case Total	%	Case Total	%	Case Total	%	Case Total	%	Case Total	%
Gonzaga	37	16.16	0	.0	5	2.18	65	28.38	12	5.24	22	9.61	51	22.27	3	1.31	0	0	34	14.84	229	10.93
Indiana	14	8.81	4	2.52	11	6.92	52	32.70	2	1.26	37	23.27	27	16.98	5	3.14	3	1.89	4	2.52	159	7.59
Loyola	3	3.13	0	0	4	4.17	62	64.58	0	0	3	3.13	8	8.33	0	0	10	10.42	6	6.25	96	4.58
McGeorge	45	7.18	1	.16	6	.97	140	22.33	3	.48	340	54.23	5	.80	33	5.26	2	.32	52	8.29	627	29.93
North Dakota	0	0	1	1.06	0	0	88	93.62	0	0	0	0	4	4.26	1	1.06	0	0	0	0	94	4.49
Notre Dame	11	9.91	0	0	0	0	48	43.24	0	0	18	16.22	9	8.11	3	2.70	2	1.80	20	18.02	111	5.30
San Diego	21	39.62	0	0	0	0	14	26.42	0	0	4	7.55	2	3.77	11	20.75	0	0	1	1.89	53	2.53
SMU	25	22.32	0	0	1	.89	7	6.25	2	1.79	6	5.35	5	4.46	15	13.39	0	0	51	45.54	112	5.35
St. Mary's	11	8.33	0	0	1	.76	49	37.12	0	0	13	9.85	2	1.52	1	.76	0	0	55	41.67	132	6.30
SUNY/ Buffalo	30	20.83	0	0	0	0	6	4.17	0	0	101	70.14	6	4.17	0	0	0	0	1	.69	144	6.87
UNC	8	11.76	0	0	1	1.47	11	16.18	3	4.41	19	27.94	24	35.29	0	0	0	0	2	2.94	68	3.25
U VA	0	0	0	0	0	0	62	100.0	0	0	0	0	0	0	0	0	0	0	0	0	62	2.96
Vermont	23	14.47	1	.63	8	5.03	65	40.83	3	1.89	23	14.47	23	14.47	6	3.77	0	0	7	4.44	159	7.59
William Mitchell	1	2.04	0	0	3	6.12	3	6.12	1	2.04	15	30.61	25	51.02	1	2.04	0	0	0	0	49	2.34
TOTAL (2nd 6) Months)	229	10.93	7	.33	40	1.91	672	32.08	26	1.24	601	28.69	191	9.12	79	3.77	17	.81	233	11.12	2095	100.00

Five (5) highest categories: Housing - 31.85
Family - 28.70
Consumer Finance - 11.33
Other - 11.18
Income Maintenance - 8.81

Attachment A-4
Page 3 of 3

TYPES OF CASES CLOSED
(One-Year Period)

	Consumer Finance		Education		Employment		Family		Health		Housing		Income Maintenance		Individual Rights		Juvenile		Mis-cellaneous		TOTAL	
	Case Total	%	Case Total	%	Case Total	%	Case Total	%	Case Total	%	Case Total	%	Case Total	%	Case Total	%	Case Total	%	Case Total	%	Case Total	%
Gonzaga	68	18.33	1	.27	13	3.50	101	27.22	15	4.04	35	9.43	67	18.06	14	3.77	1	.27	56	15.09	371	10.69
Indiana	25	11.26	5	2.25	18	8.10	74	33.33	2	.90	48	21.62	35	15.77	5	2.25	4	1.80	6	2.70	222	6.40
Loyola	5	3.85	0	0	5	3.85	83	63.85	0	0	4	3.08	13	10.00	0	0	14	10.78	6	4.62	130	3.75
McGeorge	84	8.51	1	.10	12	1.22	260	26.34	4	.41	488	49.44	7	.71	53	5.37	5	.51	73	7.40	987	28.44
North Dakota	0	0	1	.62	0	0	149	92.55	0	0	1	.62	9	5.59	1	.62	0	0	0	0	161	4.64
Notre Dame	24	15.58	0	0	1	.65	53	34.42	0	0	30	19.48	12	7.79	5	3.25	2	1.30	27	17.53	154	4.44
San Diego	37	41.11	0	0	0	0	17	18.89	0	0	9	10.00	3	3.33	21	23.33	0	0	3	3.33	90	2.59
SMU	26	21.14	0	0	1	.81	10	8.13	2	1.63	6	4.87	7	5.69	15	12.20	0	0	56	45.53	123	3.54
St. Mary's	16	7.41	0	0	1	.46	79	36.58	1	.46	18	8.33	8	3.70	1	.46	1	.46	91	42.13	216	6.22
SUNY/ Buffalo	79	21.29	0	0	5	1.35	6	1.62	0	0	264	71.16	15	4.04	0	0	0	0	2	.54	371	10.69
UNC	12	11.01	0	0	3	2.75	18	16.51	5	4.59	32	29.36	35	32.11	1	.92	0	0	3	2.75	109	3.14
U VA	0	0	0	0	0	0	62	100.0	0	0	0	0	0	0	0	0	0	0	0	0	62	1.79
Vermont	40	10.67	3	.80	19	5.07	165	44.00	6	1.60	61	16.27	41	10.93	14	3.73	2	.53	24	6.40	375	10.80
William Mitchell	4	4.00	0	0	7	7.00	4	4.00	2	2.00	36	36.00	43	43.00	4	4.00	0	0	0	0	100	2.88
TOTAL (One Year)	420	12.10	11	.32	85	2.45	1081	31.14	37	1.07	1032	29.73	295	8.50	134	3.86	29	.84	347	9.94	3471	100.00
STAFF		12.7		1.5		3.3		25.9		2.5		20.3		19.5		2.4		1.5		10.4		
PAI		10.5		.3		1.6		55.1		.7		9.9		7.8		1.8		1.7		10.5		
TOTAL		12.4		1.4		3.1		29.2		2.3		19.1		18.2		2.3		1.5		10.5		

Attachment A-6
Page 1 of 3

REASONS FOR CASE CLOSURE
(First 6-Month Period)

	Court Decision		Admin. Agency Decision		Negotiated Settlement with Litigation		Negotiated Settlement without Litigation		Brief Services		Referred After Legal Assessment		Client Withdrew or Did Not Return		Insufficient Merit to Proceed		Advice		Change In Eligibility Status		Other		TOTAL	
	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%
Gonzaga	7	4.93	3	2.11	20	14.08	21	14.79	49	34.51	2	1.41	7	4.93	4	2.82	24	16.90	0	0	5	3.52	142	10.32
Indiana	4	6.35	5	7.94	0	0	3	4.76	9	14.29	6	9.52	13	20.63	2	3.17	18	28.57	0	0	3	4.76	63	4.58
Loyola	13	38.24	3	8.82	0	0	1	2.94	1	2.94	2	5.88	10	29.41	1	2.94	1	2.94	0	0	2	5.88	34	2.47
McGeorge	26	7.22	1	.28	20	5.56	11	3.06	100	27.78	24	6.67	97	26.94	2	.56	28	7.78	1	.28	50	13.89	360	26.16
North Dakota	61	91.04	5	7.46	0	0	0	0	0	0	0	0	1	1.49	0	0	0	0	0	0	0	0	67	4.87
Notre Dame	2	4.65	0	0	1	2.33	7	16.28	14	32.56	3	6.	8	18.64	0	0	4	9.30	2	4.65	2	4.65	43	3.13
San Diego	0	0	1	2.70	1	2.70	1	2.70	5	13.51	0	0	5	13.51	2	5.41	21	56.76	0	0	1	2.70	37	2.69
SMU	1	9.09	1	9.09	1	9.09	0	0	2	18.18	1	9.09	3	27.27	0	0	0	0	0	0	2	18.18	11	.80
St. Mary's	10	12.00	4	4.76	1	1.19	3	3.57	11	14.10	1	1.19	17	20.24	4	4.76	2	2.38	1	1.19	30	35.71	84	6.10
SUNY/ Buffalo	15	6.61	2	.88	11	4.85	19	8.37	20	8.81	25	11.01	21	9.25	8	3.52	86	37.89	2	.88	18	7.93	227	16.50
UNC	7	17.07	8	19.51	1	2.44	10	24.39	1	2.44	0	0	9	21.95	3	7.32	0	0	0	0	2	4.88	41	2.98
Univ. of VA																								
Vermont	4	1.84	2	.92	1	.46	0	0	8	3.69	27	12.44	19	8.76	1	.46	24	11.06	0	0	130	60.37	216	15.70
William Mitchell	1	1.96	11	21.57	4	7.84	11	21.57	5	9.80	1	1.96	6	11.76	4	7.84	3	5.88	0	0	5	9.80	51	3.71
TOTAL (1st 6) Months)	151	10.97	46	3.34	61	4.43	87	6.32	225	16.34	92	6.68	216	15.69	31	2.25	211	15.32	6	0.44	250	18.23	1376	100.00

Attachment A-6
Page 2 of 3

REASONS FOR CASE CLOSURE
(Second 6-Month Period)

	Court Decision		Admin. Agency Decision		Negotiated Settlement with Litigation		Negotiated Settlement without Litigation		Brief Services		Referred After Legal Assessment		Client Withdrew or Did Not Return		Insufficient Merit to Proceed		Advice		Change In Eligibility Status		Other		TOTAL	
	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%
Gonzaga	46	20.09	22	9.61	14	6.11	26	11.35	56	24.45	4	1.75	21	9.17	12	5.24	12	5.24	1	.44	15	6.55	229	10.93
Indiana	17	10.69	12	7.55	9	5.66	11	6.92	16	10.06	6	3.77	37	23.27	8	5.03	35	22.01	3	1.89	5	3.14	159	7.59
Loyola	32	33.33	8	8.33	0	0	3	3.19	5	5.21	8	8.33	39	40.63	0	0	0	0	0	0	1	1.04	96	4.58
McGeorge	70	11.16	5	.80	14	2.23	22	3.51	185	29.51	26	4.15	96	15.31	6	.96	149	23.76	6	.96	48	7.66	627	29.93
North Dakota	87	92.55	4	4.26	0	0	1	1.06	0	0	0	0	1	1.06	0	0	1	1.06	0	0	0	0	94	4.49
Notre Dame	16	14.41	4	3.60	0	0	8	7.21	30	27.03	1	.90	34	30.63	2	1.80	12	10.81	2	1.80	2	1.80	111	5.30
San Diego	5	9.43	1	1.89	2	3.77	9	16.98	10	18.87	5	9.43	16	30.19	3	5.66	2	3.77	0	0	0	0	53	2.53
SMU	7	6.25	1	.89	0	0	9	8.04	59	52.68	4	3.57	12	10.71	5	4.46	0	0	1	.89	14	12.50	112	5.35
St. Mary's	29	21.97	2	1.52	1	.76	7	5.30	19	14.39	5	3.79	29	21.97	4	3.03	4	3.03	0	0	32	24.24	132	6.30
SUNY/ Buffalo	23	15.97	2	1.39	9	6.25	27	18.75	26	18.06	3	2.08	17	11.81	2	1.39	31	21.53	0	0	4	2.78	144	6.87
UNC	8	11.76	22	32.35	8	11.76	10	14.71	3	4.41	1	1.47	1	1.47	5	7.35	5	7.35	0	0	5	7.35	68	3.25
Univ. of VA	10	16.13	0	0	2	3.23	6	9.68	2	3.23	4	6.45	19	30.65	5	8.06	8	12.90	2	3.23	4	6.45	62	2.96
Vermont	15	9.43	5	3.14	6	3.77	2	1.26	14	8.81	3	1.89	21	13.21	3	1.89	27	16.98	1	.63	62	38.99	159	7.59
William Mitchell	7	14.29	12	24.49	5	10.20	11	22.45.	5	10.20	1	2.04	1	2.04	2	4.08	1	2.04	0	0	4	8.16	49	2.34
TOTAL (2nd 6) Months)	372	17.76	100	4.77	70	3.34	152	7.25	430	20.53	71	3.39	344	16.42	57	2.72	287	13.70	16	.76	196	9.36	2095	100.00

Attachment A-8

COMPARISON OF PERCENTAGE OF FUNDING WITH THE PERCENTAGE OF OUTPUT
(One Year Totals)

LAW SCHOOL	% of Total LSC Funding	% of Total LSC and Non-LSC Funding	Cases Closed		% of Hours Worked	Cases Closed and Pending		Litigated Cases Closed	
			Number	Percent		Number	Percent	Number	Percent
Gonzaga	7.07	7.18	371	10.69	14.19	651	12.58	112	14.00
Indiana	8.48	12.54	222	6.40	5.01	356	6.88	47	5.88
Loyola	8.48	4.31	130	3.75	5.47	286	5.53	56	7.00
McGeorge	6.13	6.52	987	28.44	24.38	1,444	27.91	136	17.00
North Dakota	5.66	3.67	161	4.64	4.52	191	3.69	157	19.63
Notre Dame	8.01	7.92	154	4.44	4.17	210	4.06	23	2.88
San Diego	5.09	3.75	90	2.59	1.28	167	3.23	10	1.25
SMU	6.60	4.72	123	3.54	2.15	173	3.34	11	1.38
St. Mary's	8.48	5.22	216	6.22	4.07	332	6.42	47	5.88
SUNY/Buffalo	7.26	10.81	371	10.69	6.77	472	9.12	62	7.75
UNC	6.60	5.59	109	3.14	13.60	150	2.90	54	6.75
U Va	8.95	8.39	62	1.79	1.78	140	2.71	12	1.50
Vermont	6.60	13.46	375	10.80	7.74	472	9.12	33	4.13
Wm Mitchell	6.60	5.92	100	2.88	4.90	129	2.49	40	5.00
TOTALS:	100	100	3,471	100	100	5,173	100	800	100

Attachment A-9
Page 1 of 3

TOTAL COSTS PER SCHOOL
(First 6-Month Period)

LAW SCHOOL	Total Budgeted Cost to LSC*	Actual LSC Cost	Total Budgeted Budget*	Actual Total Cost
Gonzaga*	25,000	23,216.51	75,418.81	73,635.32
Indiana	30,000	8,954.63	87,383.00	52,119.97
Loyola	30,000	22,980.11	30,000.00	22,980.11
McGeorge	21,667	20,338.00	45,419.00	44,802.00
North Dakota	20,000	18,263.00	25,554.00	23,817.00
Notre Dame	28,333	6,106.00	55,200.00	35,475.00
San Diego	18,000	18,428.71	26,112.33	23,223.04
SMU	23,333	25,143.04	32,900.00	32,121.09
St. Mary's	30,000	27,161.50	36,390.00	27,161.50
SUNY/Buffalo	25,667	16,384.82	75,289.66	62,187.75
UNC	23,333	21,035.56	38,949.00	63,800.07
Univ. of VA	31,667	23,289.00	58,470.00	26,622.00
Vermont	23,333	18,014.57	93,778.00	94,711.97
Wm. Mitchell	23,333	25,637.63	41,240.00	37,119.63
TOTAL	353,667	274,953.08	722,103.80	619,776.45

Based on Total Costs Divided by 3 -- 1/3 for each period.
*Gonzaga's budgets were extrapolated from submitted information--assuming the University's committment was on budget.

Attachment A-9
Page 2 of 3

TOTAL COSTS PER SCHOOL
(Second 6-Month Period)

LAW SCHOOL	Total Budgeted Cost to LSC*	Actual LSC Cost	Total Budgeted Cost*	Actual Total Cost
Gonzaga	25,000	24,160.87	75,418.81	74,579.68
Indiana	30,000	27,225.96	87,383.00	94,331.58**
Loyola	30,000	26,560.00	30,000.00	26,560.00
McGeorge	21,667	21,806.00	45,419.00	65,126.83
North Dakota	20,000	19,583.00	25,554.00	25,137.00
Notre Dame	28,333	26,469.00	55,200.00	69,171.00
San Diego	18,000	15,943.77	26,112.33	23,728.10
SMU	23,333	16,340.01	32,900.00	30,315.00
St. Mary's	30,000	23,387.86	36,390.00	65,126.83
SUNY/Buffalo	25,667	45,354.92	75,289.66	94,336.77
UNC	23,333	23,387.86	38,949.00	23,728.10
Univ. of VA	31,667	22,794.00	58,470.00	24,460.00
Vermont	23,333	18,002.36	93,778.00	91,030.04
Wm. Mitchell	23,333	25,617.77	41,240.00	37,009.77
TOTAL	353,667	336,633.38	722,103.80	744,730.70

Based on Total Costs Divided by 3 -- 1/3 for each period.
**Extrapolated from 8 month reports to 6 month reports.

Attachment A-9
Page 3 of 3

TOTAL COSTS PER SCHOOL
(One Year Period)

LAW SCHOOL	Total Budgeted Cost to LSC*	Actual LSC Cost	Total Budgeted Cost*	Actual Total Cost
Gonzaga	50,000	47,377.38	150,837.62	148,215.00
Indiana	60,000	36,180.59	174,766.00	146,451.55
Loyola	60,000	49,540.11	60,000.00	49,540.11
McGeorge	43,333	42,144.00	90,838.00	109,928.83
North Dakota	40,000	37,946.00	51,108.00	49,054.00
Notre Dame	56,667	32,575.00	110,400.00	104,646.00
San Diego	36,000	34,372.48	52,224.66	46,951.14
SMU	46,667	41,483.05	65,800.00	62,436.09
St. Mary's	60,000	50,549.36	72,780.00	92,288.33
SUNY/Buffalo	51,333	61,739.74	150,579.32	156,524.52
UNC	46,667	44,423.42	77,898.00	87,528.17
Univ. of VA	63,333	46,083.00	116,940.00	51,082.00
Vermont	46,667	36,016.93	187,556.00	185,742.01
Wm. Mitchell	46,667	51,255.40	82,480.00	74,219.40
TOTAL	707,334	611,686.46	1,444,217.60	1,364,607.20

Based on Total Costs Divided by 3 -- 1/3 for each period.

Attachment A-10

COMPARISON OF CLOSED CASES

	1st Six Months		2nd Six Months		One Year	
	Total Cases Closed	% of Cases Closed	Total Cases Closed	% of Cases Closed	Total Cases Closed	% of Cases Closed
Gonzaga	142	10.32	229	10.93	371	10.69
Indiana	63	4.58	159	7.59	222	6.40
Loyola	34	2.47	96	4.58	130	3.75
McGeorge	360	26.16	627	29.93	987	28.44
North Dakota	67	4.87	94	4.49	161	4.64
Notre Dame	43	3.13	111	5.30	154	4.44
San Diego	37	2.69	53	2.53	90	2.59
SMU	11	.80	112	5.35	123	3.54
St. Mary's	84	6.10	132	6.30	216	6.22
SUNY/Buffalo	227	16.50	144	6.87	371	10.69
UNC	41	2.98	68	3.25	109	3.14
Univ. of VA	0	0	62	2.96	62	1.79
Vermont	216	15.70	159	7.59	375	10.80
William Mitchell	51	3.71	49	2.34	100	2.88
TOTAL	1376	100	2095	100	3471	100

For 1st Six (6) Months: Average cases per school - 105.85 (4 clinics above, 9 clinics below)
Median values - 63
For 2nd Six (6) Months: Average cases per school - 149.64 (4 clinics above, 10 clinics below)
Median values - 154 and 161
For One Year: Average cases per school - 247.93 (4 clinics above, 10 clinics below)
Median values - 111 and 112

Attachment A-11
Page 1 of 3

AVERAGE COST PER CASE CLOSED
(First 6-Month Period)

LAW SCHOOL	Closed # Cases	Pending Cases	Total Cases	Average Cost Per Closed Case			
				Total Budgeted Cost to LSC	Actual LSC Cost	Total Budgeted Cost	Actual Total Cost
Gonzaga	142	316	458	176.06	163.50	531.12	518.56
Indiana	63	79	142	476.19	142.14	1,387.03	827.30
Loyola	34	124	158	882.35	675.89	882.35	675.89
McGeorge	360	558	918	60.19	56.49	126.16	124.45
North Dakota	67	27	94	298.51	272.58	381.40	355.48
Notre Dame	43	57	100	658.91	142.00	1,283.72	825.00
San Diego	37	40	77	486.49	498.07	705.74	627.65
SMU	11	76	87	2,121.18	2,285.73	2,990.91	2,920.10
St. Mary's	84	107	191	357.14	323.35	433.21	323.35
SUNY/Buffalo	227	164	391	113.07	72.18	331.67	273.95
UNC	41	58	99	569.10	513.06	949.98	1,556.10
Univ. of VA	0	88	88	*	*	*	*
Vermont	216	97	313	108.02	83.40	434.16	438.48
Wm. Mitchell	51	45	96	457.51	502.70	808.63	727.84
TOTAL	1,376	1,836	3,212	257.03	199.82	524.78	450.42

Attachment A-6
Page 3 of 3

REASONS FOR CASE CLOSURE
(One Year Period)

	Court Decision		Admin. Agency Decision		Negotiated Settlement with Litigation		Negotiated Settlement without Litigation		Brief Services		Referred After Legal Assessment		Client Withdrew or Did Not Return		Insufficient Merit to Proceed		Advice		Change In Eligibility Status		Other		TOTAL	
	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%
Gonzaga	53	14.29	25	6.74	34	9.16	47	12.67	105	28.30	6	1.62	28	7.55	16	4.31	36	9.70	1	.27	20	5.39	371	10.69
Indiana	21	9.46	17	7.66	9	4.05	14	6.31	25	11.26	12	5.41	50	22.52	10	4.50	53	23.87	3	1.35	8	3.60	222	6.40
Loyola	45	34.62	11	8.46	0	0	4	3.08	6	4.62	10	7.69	49	37.69	1	.77	1	.77	0	0	3	2.31	130	3.75
McGeorge	96	9.73	6	.61	34	3.44	33	3.34	285	28.88	50	5.07	193	19.55	8	.81	177	17.93	7	.71	98	9.93	987	28.44
North Dakota	148	91.93	9	5.59	0	0	1	.62	0	0	0	0	2	1.24	0	0	1	.62	0	0	0	0	161	4.64
Notre Dame	18	11.69	4	2.60	1	.65	15	9.74	44	28.57	4	2.60	42	27.27	2	1.30	16	10.39	4	2.60	4	2.60	154	4.44
San Diego	5	5.56	2	2.22	3	3.33	10	11.11	15	16.67	5	5.56	21	23.33	5	5.56	23	25.56	0	0	1	1.11	90	2.59
SMU	8	6.50	2	1.63	1	.81	9	7.32	61	49.59	5	4.07	15	12.20	5	4.07	0	0	1	.81	16	13.00	123	3.54
St. Mary's	39	18.06	6	2.78	2	.93	10	4.62	30	13.89	6	2.78	46	21.30	8	3.70	6	2.78	1	.46	62	28.70	216	6.22
SUNY/ Buffalo	38	10.24	4	1.09	20	5.40	46	12.40	46	12.40	28	7.55	38	10.24	10	2.70	117	31.54	2	.54	22	5.93	371	10.69
UNC	15	13.76	30	27.52	9	8.26	20	18.35	4	3.67	1	.92	10	9.17	8	7.34	5	4.59	0	0	7	6.42	109	3.14
Univ. of VA	10	16.13	0	0	2	3.23	6	9.68	2	3.23	4	6.45	19	30.65	5	8.06	8	12.90	2	3.23	4	6.45	62	1.79
Vermont	19	5.07	7	1.87	7	1.87	2	.53	22	5.87	30	8.00	40	10.67	4	1.07	51	13.60	1	.27	192	51.20	375	10.80
William Mitchell	8	8.00	23	23.00	9	9.00	22	22.00	10	10.00	2	2.00	7	7.00	6	6.00	4	4.00	0	0	9	9.00	100	2.88
TOTAL (One Year)	523	15.01	146	4.21	131	3.77	239	6.89	655	18.87	163	4.70	560	16.13	88	2.54	498	14.35	22	.63	446	12.85	3471	100.00

Attachment A-7
Page 1 of 3

COMPARISON OF LITIGATED/NON-LITIGATED CASE CLOSURE

% of Case Closures

	FIRST PERIOD CASES CLOSED				LSC RECIPIENT STATISTICS 1984 Cases Closed Nationwide 1/					
					STAFF CASES		PAI CASES		TOTAL CASES	
	Litigated		Non-Litigated		Litigated	Non-Litigated	Litigated	Non-Litigated	Litigated	Non-Litigated
	Total Case	%	Total Case	%	//////////// ////////////	//////////// ////////////	//////////// ////////////	//////////// ////////////	//////////// ////////////	//////////// ////////////
Gonzaga	30	21.12	112	78.88						
Indiana	9	14.29	54	85.71						
Loyola	16	47.06	18	52.94						
McGeorge	47	13.06	313	86.94						
North Dakota	66	98.50	1	1.50	15.80	84.20	27.30	72.70	17.20	82.80
Notre Dame	3	6.98	40	93.02						
San Diego	2	5.40	35	94.60						
SMU	3	27.27	8	72.73						
St. Mary's	15	17.95	69	82.05						
SUNY/Buffalo	28	12.34	199	87.66						
UNC	16	39.02	25	60.98						
Univ. of VA										
Vermont	7	3.24	209	96.76						
William Mitchell	16	31.37	35	68.63						
TOTAL	258	18.75	1118	81.25						

1/ Source: 1985 LSC Fact Book

Attachment A-7
Page 2 of 3

COMPARISON OF LITIGATED/NON-LITIGATED CASE CLOSURE

% of Case Closures

SECOND PERIOD CASES CLOSED

LSC RECIPIENT STATISTICS
1984 Cases Closed Nationwide 1/

	Litigated		Non-Litigated		STAFF		PAI CASES		TOTAL CASES	
					Litigated	Non-Litigated	Litigated	Non-Litigated	Litigated	Non-Litigated
	Total Case	%	Total Case	%	///////////// /////////////	///////////// /////////////	///////////// /////////////	///////////// /////////////	///////////// /////////////	///////////// /////////////
Gonzaga	82	35.81	147	64.19						
Indiana	38	23.90	121	76.10						
Loyola	40	41.67	56	58.33						
McGeorge	89	14.19	538	85.81						
North Dakota	91	96.81	3	3.19						
Notre Dame	20	18.02	91	81.98						
San Diego	8	14.29	45	85.71						
SMU	8	7.14	104	92.86						
St. Mary's	32	24.24	100	75.76						
SUNY/Buffalo	34	23.61	110	76.39						
UNC	38	55.88	30	44.12						
Univ. of VA	12	19.35	50	80.65						
Vermont	26	16.25	133	83.75						
William Mitchell	24	48.98	25	51.02	15.80	84.20	27.30	72.70	17.20	82.80
TOTAL	542	25.87	1553	74.13						

1/ Source: 1985 LSC Fact Book

COMPARISON OF LITIGATED/NON-LITIGATED CASE CLOSURE

% of Case Closures

ONE YEAR: CASES CLOSED					LSC RECIPIENT STATISTICS 1984 Cases Closed Nationwide 1/					
	Litigated		Non-Litigated		STAFF CASES		PAI CASES		TOTAL CASES	
	Total Case	%	Total Case	%	Litigated	Non-Litigated	Litigated	Non-Litigated	Litigated	Non-Litigated
					//////////// ////////////	//////////// ////////////	//////////// ////////////	//////////// ////////////	//////////// ////////////	//////////// ////////////
Gonzaga	112	30.19	259	69.81						
Indiana	47	21.17	175	77.83						
Loyola	56	43.08	74	56.92						
McGeorge	136	13.78	851	86.22						
North Dakota	157	97.52	4	2.48	15.80	84.20	27.30	72.70	17.20	82.80
Notre Dame	23	14.94	131	85.06						
San Diego	10	11.11	80	88.88						
SMU	11	8.94	112	91.06						
St. Mary's	47	21.76	169	78.24						
SUNY/Buffalo	62	16.71	309	83.29						
UNC	54	49.54	55	51.46						
Univ. of VA	12	19.35	50	80.65						
Vermont	33	8.80	342	91.20						
William Mitchell	40	40.00	60	60.00						
TOTAL	800	23.05	2671	76.95						

1/ Source: 1985 LSC Fact Book

Attachment A-11
Page 2 of 3

AVERAGE COST PER CASE CLOSED
(Second 6-Month Period)

LAW SCHOOL	Closed # Cases	Pending Cases	Total Cases	Average Cost Per Closed Case			
				Total Budgeted Cost to LSC	Actual LSC Cost	Total Budgeted Cost	Actual Total Cost
Gonzaga	229	280	509	109.17	105.51	329.34	325.68
Indiana	159	134	293	188.68	171.23	549.58	593.28
Loyola	96	156	252	312.50	276.67	312.50	276.67
McGeorge	627	457	1,084	34.56	34.78	72.44	103.87
North Dakota	94	30	124	212.77	208.33	271.85	267.41
Notre Dame	111	56	167	255.25	238.46	497.30	623.16
San Diego	53	77	130	339.62	300.83	492.69	447.70
SMU	112	50	162	208.33	145.89	293.75	270.67
St. Mary's	132	116	248	227.27	177.18	275.68	493.39
SUNY/Buffalo	144	101	245	178.24	314.96	522.84	655.12
UNC	68	41	109	343.13	343.94	572.78	348.94
Univ. of VA	62	78	140	510.76	367.65	943.06	394.52
Vermont	159	97	256	146.75	113.22	589.80	572.52
Wm. Mitchell	49	29	78	476.18	522.81	841.63	757.14
TOTAL	2,095	1,702	3,797	168.81	160.68	344.68	355.48

Attachment A-11
Page 3 of 3

AVERAGE COST PER CASE CLOSED
(One Year Period)

LAW SCHOOL	Closed # Cases	Pending Cases	Total Cases	Average Cost Per Closed Case			
				Total Budgeted Cost to LSC	Actual LSC Cost	Total Budgeted Cost	Actual Total Cost
Gonzaga	371	280	651	134.77	127.70	406.57	399.50
Indiana	222	134	356	270.27	162.98	787.23	659.69
Loyola	130	156	286	461.54	381.08	461.54	381.08
McGeorge	987	457	1,444	43.90	42.70	92.03	111.38
North Dakota	161	30	191	248.45	235.69	317.44	307.70
Notre Dame	154	56	210	367.97	211.53	716.88	679.52
San Diego	90	77	167	400.00	381.92	580.27	521.68
SMU	123	50	173	379.41	337.26	534.96	507.61
St. Mary's	216	116	332	277.78	234.02	336.94	427.26
SUNY/Buffalo	371	101	472	138.36	166.41	405.87	421.90
UNC	109	41	150	428.14	407.55	714.66	803.01
Univ. of VA	62	78	140	1,021.50	743.27	1,886.13	823.90
Vermont	375	97	472	124.45	96.05	500.15	495.31
Wm. Mitchell	100	29	129	466.67	512.55	824.80	742.19
TOTAL	3,471	1,702	5,173	203.78	176.23	416.08	393.08

Attachment A-12

COMPARISON OF TOTAL HOURS

	1st Six Months		2nd Six Months		One Year	
	Total Hours	% of All Hours	Total Hours	% of All Hours	Total Hours	% of All Hours
Gonzaga	1327.18	12.05	4343.36	15.00	5670.54	14.19
Indiana	334.00	3.03	1670.49	5.77	2004.49	5.01
Loyola	369.00	3.35	1816.00	6.27	2185.00	5.47
McGeorge	3136.46	28.47	6602.40	22.80	9738.86	24.38
North Dakota	738.50	6.70	1069.50	3.69	1808.00	4.52
Notre Dame	385.75	3.50	1283.00	4.43	1668.75	4.17
San Diego	107.25	.97	397.25	1.37	504.50	1.28
SMU	57.50	.52	803.06	2.77	860.56	2.15
St. Mary's	482.75	4.38	1143.66	3.95	1626.41	4.07
SUNY/Buffalo	1082.25	9.82	1624.41	5.61	2706.66	6.77
UNC	1589.05	14.42	3847.20	13.29	5436.25	13.60
Univ. of VA			710.80	2.45	710.80	1.78
Vermont	559.40	5.08	2534.95	8.75	3094.35	7.74
William Mitchell	848.40	7.70	1108.75	3.83	1957.15	4.90
TOTAL	11017.49	100	28954.83	100	39972.32	100

For 1st Six Months: Average hours per school - 847.50 (5 clinics above, 8 clinics below)
Median values - 559.40

For 2nd Six Months: Average hours per school - 2068.20 (4 clinics above, 10 clinics below)
Median values - 1624.41 and 1283

For One Year: Average hours per school - 2855.17 (4 clinics above, 10 clinics below)
Median values - 2004.49 and 1957.15

Attachment A-13
Page 1 of 3

AVERAGE COST PER HOUR
(First 6-Month Period)

LAW SCHOOL	Closed # Cases	Total # Hours	Average Hours Per Case	Average Cost Per Hour			
				Total Budgeted Cost to LSC	Actual LSC Cost	Total Budgeted Cost	Actual Total Cost
Gonzaga	142	1,327.18	9.35	18.84	17.49	56.83	55.48
Indiana	63	334	5.30	89.82	26.81	261.39	156.05
Loyola	34	369	10.85	81.30	62.28	81.30	62.28
McGeorge	360	3,136.46	8.71	6.91	6.48	14.48	14.28
North Dakota	67	738.50	11.02	27.08	24.73	34.60	32.25
Notre Dame	43	385.75	8.97	73.45	15.83	143.10	91.96
San Diego	37	107.25	2.90	167.83	171.83	243.47	216.53
SMU	11	57.50	5.23	405.79	437.27	572.17	558.63
St. Mary's	84	482.75	5.75	62.14	56.26	75.38	56.26
SUNY/Buffalo	227	1,082.25	4.77	23.72	15.14	69.57	57.46
UNC	41	1,589.05	38.76	14.68	13.24	24.51	40.15
*Univ. of VA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Vermont	216	559.40	2.59	41.71	32.20	167.64	169.31
Wm. Mitchell	51	848.40	16.64	27.50	30.22	48.61	43.75
TOTAL	1,376	11,017.49	8.01	32.10	24.96	65.54	56.25

*University of Virginia was not scheduled to begin client service until the second semester.

Attachment A-13
Page 2 of 3

AVERAGE COST PER HOUR
(Second 6-Month Period)

LAW SCHOOL	Closed # Cases	Total # Hours	Average Hours Per Case	Average Cost Per Hour			
				Total Budgeted Cost to LSC	Actual LSC Cost	Total Budgeted Cost	Actual Total Cost
Gonzaga	229	4,343.36	18.97	5.76	5.56	17.36	17.17
Indiana	159	1,670.49	10.51	17.96	16.30	52.32	56.47
Loyola	96	1,816.00	18.92	16.52	14.63	16.52	14.63
McGeorge	627	6,602.40	10.53	3.28	3.30	6.88	9.86
North Dakota	94	1,069.50	11.38	18.70	18.31	23.89	23.50
Notre Dame	111	1,283.00	11.56	22.08	20.83	43.02	53.91
San Diego	53	397.25	7.50	45.31	40.14	65.73	59.73
SMU	112	803.06	7.17	29.06	20.35	40.97	37.75
St. Mary's	132	1,143.66	8.66	26.23	20.45	31.82	56.95
SUNY/Buffalo	144	1,624.41	11.28	15.80	27.92	46.35	58.07
UNC	68	3,847.20	56.58	6.06	6.08	10.12	6.17
Univ. of VA	62	710.80	11.46	44.55	32.07	82.26	34.41
Vermont	159	2,534.95	15.94	9.20	7.10	36.99	35.91
Wm. Mitchell	49	1,108.75	22.63	21.04	23.11	37.20	33.46
TOTAL	2,095	28,954.83	13.82	12.21	11.63	24.94	25.72

Attachment A-13
Page 3 of 3

AVERAGE COST PER HOUR
(One Year Period)

LAW SCHOOL	Closed # Cases	Total # Hours	Average Hours Per Case	Average Cost Per Hour			
				Total Budgeted Cost to LSC	Actual LSC Cost	Total Budgeted Cost	Actual Total Cost
Gonzaga	371	5,670.54	15.28	8.82	8.36	26.60	26.14
Indiana	222	2,004.49	9.03	29.93	18.05	87.19	73.06
Loyola	130	2,185.00	16.81	27.46	22.67	27.46	22.67
McGeorge	987	9,738.86	9.87	4.45	4.33	9.33	11.29
North Dakota	161	1,808.00	11.23	22.12	20.99	28.27	27.13
Notre Dame	154	1,668.75	10.84	33.96	19.52	66.16	62.71
San Diego	90	504.50	5.61	71.36	68.13	103.52	93.06
SMU	123	860.56	7.00	54.23	48.20	76.46	72.55
St. Mary's	216	1,626.41	7.53	36.89	31.08	44.75	56.74
SUNY/Buffalo	371	2,706.66	7.30	18.97	22.81	55.63	57.83
UNC	109	5,436.25	49.87	8.58	8.17	14.33	16.10
Univ. of VA	62	710.80	11.46	89.10	64.83	164.52	71.87
Vermont	375	3,094.35	8.25	15.08	11.64	60.61	60.03
Wm. Mitchell	100	1,957.15	19.57	23.84	26.19	42.14	37.92
TOTAL	3,471	39,972.32	11.52	17.70	15.30	36.13	34.14

Attachment A-14

COMPARISON OF TOTAL CLOSED AND PENDING CASES

	1st Six Months		2nd Six Months		One Year	
	Closed & Pending Total Cases	Closed & Pending % of Cases Closed	Closed & Pending Total Cases	Closed & Pending % of Cases Closed	Closed & Pending Total Cases	Closed & Pending % of Cases Closed
Gonzaga	458	14.26	509	13.41	651	12.58
Indiana	142	4.42	293	7.72	356	6.88
Loyola	158	4.92	252	6.64	286	5.53
McGeorge	918	28.58	1084	28.55	1444	27.91
North Dakota	94	2.93	124	3.27	191	3.69
Notre Dame	100	3.11	167	4.40	210	4.06
San Diego	77	2.40	130	3.42	167	3.23
SMU	87	2.71	162	4.27	173	3.34
St. Mary's	191	5.95	248	6.53	332	6.42
SUNY/Buffalo	391	12.17	245	6.45	472	9.12
UNC	99	3.08	109	2.87	150	2.90
Univ. of VA	88	2.74	140	3.69	140	2.71
Vermont	313	9.74	256	6.74	472	9.12
William Mitchell	96	2.99	78	2.05	129	2.49
TOTAL	3212	100	3797	100	5173	100

For 1st Six (6) Months: Average total cases - 229.43 (4 clinics above, 10 clinics below)
Median values - 142 and 100

For 2nd Six (6) Months: Average total cases - 271.21 (3 clinics above, 11 clinics below)
Median values - 245 and 167

For One Year: Average total cases - 369.50 (4 clinics above, 10 clinics below)
Median values - 286 and 210

Attachment A-15
Page 1 of 3

AVERAGE COST PER TOTAL CASES CLOSED AND PENDING
(First 6-Month Period)

LAW SCHOOL	Closed # Cases	Pending Cases	Total Cases	Average Cost Per Total Cases-- Closed and Pending			
				Total Budgeted Cost to LSC	Actual LSC Cost	Total Budgeted Cost	Actual Total Cost
Gonzaga	142	316	458	54.59	50.69	164.67	160.78
Indiana	63	79	142	211.27	63.06	615.37	367.04
Loyola	34	124	158	189.87	145.44	189.87	145.44
McGeorge	360	558	918	23.60	22.15	49.48	48.80
North Dakota	67	27	94	212.77	194.29	271.85	253.37
Notre Dame	43	57	100	283.33	61.06	552.00	354.75
San Diego	37	40	77	233.77	239.33	339.12	301.60
SMU	11	76	87	268.20	289.00	378.16	369.21
St. Mary's	84	107	191	157.07	142.21	190.52	142.21
SUNY/Buffalo	227	164	391	65.64	41.90	192.56	159.05
UNC	41	58	99	235.69	212.48	393.42	644.45
Univ. of VA	0	88	88	359.85	264.65	664.43	302.52
Vermont	216	97	313	74.55	57.55	299.61	302.59
Wm. Mitchell	51	45	96	243.05	267.06	429.58	386.66
TOTAL	1,376	1,836	3,212	110.11	85.60	224.81	192.96

Attachment A-15
Page 2 of 3

AVERAGE COST PER TOTAL CASES CLOSED AND PENDING
(Second 6-Month Period)

LAW SCHOOL	Closed # Cases	Pending Cases	Total Cases	Average Cost Per Total Cases--Closed and Pending			
				Total Budgeted Cost to LSC	Actual LSC Cost	Total Budgeted Cost	Actual Total Cost
Gonzaga	229	280	509	49.12	47.47	148.17	146.52
Indiana	159	134	293	102.39	92.92	298.24	321.95
Loyola	96	156	252	119.39	105.40	119.05	105.40
McGeorge	627	457	1,084	19.99	20.12	41.90	60.08
North Dakota	94	30	124	161.29	157.93	206.08	202.72
Notre Dame	111	56	167	169.66	158.50	330.54	414.20
San Diego	53	77	130	138.46	122.64	200.86	182.52
SMU	112	50	162	144.03	100.86	203.09	187.13
St. Mary's	132	116	248	120.97	94.31	146.73	262.61
SUNY/Buffalo	144	101	245	104.76	185.12	307.30	385.05
UNC	68	41	109	214.06	214.57	357.33	217.69
Univ. of VA	62	78	140	226.19	162.81	417.64	174.71
Vermont	159	97	256	91.14	70.32	366.32	355.59
Wm. Mitchell	49	29	78	299.14	328.43	528.72	475.64
TOTAL	2,095	1,702	3,797	93.14	88.66	190.18	196.14

Attachment A-15
Page 3 of 3

AVERAGE COST PER TOTAL CASES CLOSED AND PENDING
(One Year Period)

LAW SCHOOL	Closed # Cases	Pending Cases	Total Cases	Average Cost Per Total Cases-- Closed and Pending			
				Total Budgeted Cost to LSC	Actual LSC Cost	Total Budgeted Cost	Actual Total Cost
Gonzaga	371	280	651	76.80	72.78	231.70	227.67
Indiana	222	134	356	168.54	101.63	490.92	411.38
Loyola	130	156	286	209.79	173.22	209.79	173.22
McGeorge	987	457	1,444	30.01	29.19	62.91	76.13
North Dakota	161	30	191	209.42	198.67	267.56	256.83
Notre Dame	154	56	210	269.84	155.12	525.71	498.31
San Diego	90	77	167	215.57	205.82	312.72	281.14
SMU	123	50	173	269.75	239.79	380.35	360.90
St. Mary's	216	116	332	180.76	152.26	219.22	277.98
SUNY/Buffalo	371	101	472	108.76	130.80	319.02	331.62
UNC	109	41	150	311.11	296.16	519.32	583.52
Univ. of VA	62	78	140	452.38	329.16	835.29	364.87
Vermont	375	97	472	98.87	76.31	397.36	393.52
Wm. Mitchell	100	29	129	361.76	397.33	639.38	575.34
TOTAL	3,471	1,702	5,173	136.74	118.25	279.18	263.79

Attachment A-16
Page 1 of 3

CASES CLOSED PER $10,000 OF BASIC LSC FUNDING

	1ST PERIOD CASES CLOSED PER $10,000			STATEWIDE LSC RECIPIENT STATISTICS 1984 Cases Closed Per $10,000 for States in which the Law School is Located. 1/	
	Total	Litigated	Non-Litigated	Litigated	Non-Litigated
Gonzaga	56.80	12.00	44.80	5.10	62.80
Indiana	21.00	3.00	18.00	7.70	50.80
Loyola	11.33	5.33	6.00	9.00	29.40
McGeorge	166.15	21.69	144.46	4.90	59.00
North Dakota	33.50	33.00	.50	8.80	45.80
Notre Dame	15.18	1.06	14.12	7.70	50.80
San Diego	20.56	1.11	19.44	4.90	59.00
SMU	4.71	1.29	3.43	5.80	21.20
St. Mary's	28.00	5.00	23.00	5.80	21.20
SUNY/Buffalo	88.44	10.91	77.53	6.50	27.20
UNC	17.57	6.86	10.71	5.50	30.20
U VA	N/A	N/A	N/A	10.30	49.50
Vermont	92.57	3.00	89.57	18.60	44.60
William Mitchell	21.85	6.86	15.00	12.50	71.60
AVERAGE Per $10,000	38.90	7.29	31.61		

1/ Source: 1985 LSC Fact Book

Attachment A-16
Page 2 of 3

CASES CLOSED PER $10,000 OF BASIC LSC FUNDING

	2ND PERIOD CASES CLOSED PER $10,000			STATEWIDE LSC RECIPIENT STATISTICS 1984 Cases Closed Per $10,000 for States in which the Law School is Located. 2/	
	Total	Litigated	Non-Litigated	Litigated	Non-Litigated
Gonzaga	91.60	32.80	58.80	5.10	62.80
Indiana	53.00	12.67	40.33	7.70	50.80
Loyola	32.00	13.33	18.67	9.00	29.40
McGeorge	288.92	41.08	248.30	4.90	59.00
North Dakota	47.00	45.50	1.50	8.80	45.80
Notre Dame	39.18	7.06	32.12	7.70	50.80
San Diego	29.44	4.44	25.00	4.90	59.00
SMU	48.00	3.43	44.57	5.80	21.20
St. Mary's	44.00	10.67	33.33	5.80	21.20
SUNY/Buffalo	56.10	13.25	42.86	6.50	27.20
UNC	29.15	16.29	12.86	5.50	30.20
U VA	19.58	3.79	15.79	10.30	49.50
Vermont	68.14	11.14	57.00	18.60	44.60
William Mitchell	21.00	10.29	10.71	12.50	71.60
TOTAL	59.24	15.33	43.91		

2/ Source: 1985 LSC Fact Book

Attachment A-16
Page 3 of 3

CASES CLOSED PER $10,000 OF BASIC LSC FUNDING

	YEARLY TOTAL CASES CLOSED PER $10,000			STATEWIDE LSC RECIPIENT STATISTICS 1984 Cases Closed Per $10,000 for States in which the Law School is Located. 3/	
	Total	Litigated	Non-Litigated	Litigated	Non-Litigated
Gonzaga	74.20	22.40	51.80	5.10	62.80
Indiana	37.00	7.83	29.17	7.70	50.80
Loyola	21.67	9.33	12.33	9.00	29.40
McGeorge	227.77	31.38	196.39	4.90	59.00
North Dakota	40.25	39.25	1.00	8.80	45.80
Notre Dame	27.18	4.06	23.12	7.70	50.80
San Diego	25.00	2.78	22.22	4.90	59.00
SMU	26.36	2.36	24.00	5.80	21.20
St. Mary's	36.00	7.83	28.17	5.80	21.20
SUNY/Buffalo	72.27	12.08	60.20	6.50	27.20
UNC	23.36	11.57	11.79	5.50	30.2
U VA	9.79	1.89	7.89	10.30	49.50
Vermont	80.36	7.07	73.29	18.60	44.60
William Mitchell	21.43	8.57	12.86	12.50	71.60
TOTAL	49.07	11.31	37.76		

3/ Source: 1985 LSC Fact Book

Attachment A-17

CLIENT SATISFACTION SURVEY DISTRIBUTION AND RETURN RATE

LAW SCHOOL	Number of CSR's Responding to Distri. Question	Number of CSS Surveys Distributed	Percent Distributn Rate	Number of CSS Surveys Returned	Percent Return Rate	Return as % of Total Clients
Gonzaga	360	266	73.89	118	44.36	31.81
Indiana	216	102	46.22	39	38.24	17.57
Loyola	129	107	82.95	24	22.43	18.46
McGeorge	985	429	43.55	381	88.81	38.60
*North Dakota	161	11	6.83	5	45.45	3.11
Notre Dame	153	113	73.86	51	45.13	94.44
San Diego	88	65	73.86	9	13.85	10.00
SMI	118	110	93.22	55	50.00	44.72
St. Mary's	215	102	47.44	44	43.14	20.47
SUNY/Buffalo	370	369	99.73	94	25.47	25.34
UNC	109	101	92.66	41	40.59	37.61
Univ. of VA	62	41	66.13	33	80.49	53.23
Vermont	374	40	10.70	27	67.50	7.20
Wm. Mitchell	100	100	100.00	50	50.00	50.00
TOTALS:	3,440	1,[illegible]6	56.86	971	49.64	27.97

*North Dakota's clinic worked primarily with mental patients. As such, satisfaction surveys were not ordinarily distributed.

Attachment A-18

CLIENT SATISFACTION SURVEY RESULTS

	Was the Location Convenient			Did You Get A Convenient Appointment			Would You Come Back To This Clinic		
	Number of Responses	No	Percentage	Number of Responses	Yes	Percentage	Number of Responses	Yes	Percentage
Gonzaga	118	12	10.17	118	110	93.22	117	114	97.44
Indiana	38	7	18.42	39	36	92.31	39	39	100.00
Loyola	24	3	12.50	24	23	95.83	24	22	91.67
McGeorge	380	31	8.16	379	354	93.40	355	348	98.03
North Dakota	5	0	0	5	4	80.00	5	5	100.00
Notre Dame	50	4	8.00	50	46	92.00	50	45	90.00
San Diego	9	1	11.11	9	7	77.78	8	6	75.00
SMU	51	4	7.84	51	48	94.12	51	50	98.04
St. Mary's	44	6	13.64	44	42	95.45	44	43	97.73
SUNY/Buffalo	81	8	9.88	86	74	86.05	89	86	96.63
UNC	38	10	26.32	38	35	92.11	38	37	97.37
Univ. of VA	30	4	13.33	31	25	80.65	32	32	100.00
Vermont	26	7	26.92	27	23	85.19	27	26	96.30
Wm. Mitchell	45	10	22.22	48	45	93.75	48	46	97.92
TOTAL:	939	107	11.40	949	872	91.89	927	899	96.98

FILE CSSQUAL.WKS
DATE: 2/12/86

CLIENT SATISFACTION SURVEY RESULTS

SATISFACTION WITH QUALITY OF SERVICE

LAW SCHOOL	SATISFIED Number	SATISFIED Percent	INDIFFERENT Number	INDIFFERENT Percent	DISATISFIED Number	DISATISFIED Percent	TOTAL RESPONDENTS
GONZAGA	107	91.45%	6	5.13%	4	3.42%	117
INDIANA	39	100.00%	0	0.00%	0	0.00%	39
LOYOLA	21	91.30%	1	4.35%	1	4.35%	23
MCGEORGE	349	93.57%	19	5.09%	5	1.34%	373
NORTH DAKOTA	5	100.00%	0	0.00%	0	0.00%	5
NOTRE DAME	42	85.71%	5	10.20%	2	4.08%	49
SAN DIEGO	8	100.00%	0	0.00%	0	0.00%	8
SMU	50	98.04%	0	0.00%	1	1.96%	51
ST. MARY'S	44	100.00%	0	0.00%	0	0.00%	44
SUNY/BUFFALO	83	93.26%	2	2.25%	4	4.49%	89
UNC	36	94.74%	1	2.63%	1	2.63%	38
U.VA.	32	100.00%	0	0.00%	0	0.00%	32
VERMONT	26	96.30%	0	0.00%	1	3.70%	27
WM. MITCHELL	46	92.00%	2	4.00%	2	4.00%	50
TOTAL	888	93.97%	36	3.81%	21	2.22%	945

THIS CHART REPRESENTS CLIENT SATISFACTION SURVEYS FROM MONTHS 1-12.

FILE CSSOUT.WKS
DATE: 2/12/86

CLIENT SATISFACTION SURVEY RESULTS

SATISFACTION WITH OUTCOME OF CASE

LAW SCHOOL	SATISFIED Number	SATISFIED Percent	INDIFFERENT Number	INDIFFERENT Percent	DISATISFIED Number	DISATISFIED Percent	TOTAL RESPONDENTS
GONZAGA	95	81.90%	14	12.07%	7	6.03%	116
INDIANA	34	89.47%	2	5.26%	2	5.26%	38
LOYOLA	18	90.00%	0	0.00%	2	10.00%	20
MCGEORGE	222	64.35%	108	31.30%	15	4.35%	345
NORTH DAKOTA	5	100.00%	0	0.00%	0	0.00%	5
NOTRE DAME	30	71.43%	6	14.29%	6	14.29%	42
SAN DIEGO	5	83.33%	0	0.00%	1	16.67%	6
SMU	47	94.00%	0	0.00%	3	6.00%	50
ST. MARY'S	43	97.73%	0	0.00%	1	2.27%	44
SUNY/BUFFALO	60	73.17%	9	10.98%	13	15.85%	82
UNC	34	89.47%	2	5.26%	2	5.26%	38
U.VA.	30	100.00%	0	0.00%	0	0.00%	30
VERMONT	22	84.62%	1	3.85%	3	11.54%	26
WM. MITCHELL	36	73.47%	2	4.08%	11	22.45%	49
TOTAL	681	76.43%	144	16.16%	66	7.41%	891

THIS CHART REPRESENTS CLIENT SATISFACTION SURVEYS FROM MONTHS 1-12.

FILE CSSVIEWS.WKS
DATE 2/13/86

CLIENT SATISFACTION SURVEY RESULTS

"SATISFIED THAT CLINIC REPRESENTED YOUR VIEWPOINT"

LAW SCHOOL	SATISFIED Number	SATISFIED Percent	INDIFFERENT Number	INDIFFERENT Percent	DISATISFIED Number	DISATISFIED Percent	TOTAL RESPONDENTS
GONZAGA	101	87.07%	11	9.48%	4	3.45%	116
INDIANA	38	97.44%	1	2.56%	0	0.00%	39
LOYOLA	20	86.96%	2	8.70%	1	4.35%	23
MCGEORGE	320	87.91%	38	10.44%	6	1.65%	364
NORTH DAKOTA	5	100.00%	0	0.00%	0	0.00%	5
NOTRE DAME	35	83.33%	7	16.67%	0	0.00%	42
SAN DIEGO	7	87.50%	1	12.50%	0	0.00%	8
SMU	48	97.96%	0	0.00%	1	2.04%	49
ST. MARY'S	44	100.00%	0	0.00%	0	0.00%	44
SUNY/BUFFALO	75	89.29%	4	4.76%	5	5.95%	84
UNC	38	100.00%	0	0.00%	0	0.00%	38
U.VA.	28	93.33%	2	6.67%	0	0.00%	30
VERMONT	25	92.59%	1	3.70%	1	3.70%	27
WM. MITCHELL	42	85.71%	4	8.16%	3	6.12%	49
TOTAL	826	89.98%	71	7.73%	21	2.29%	918

THIS CHART REPRESENTS CLIENT SATISFACTION SURVEYS FROM MONTHS 1-12.

ATTACHMENT A - 18
Page 3 of 6

FILE CSSPROF.WKS
DATE: 2/12/86

CLIENT SATISFACTION SURVEY RESULTS

SATISFACTSATISFACTION WITH PROFESSIONALISM OF CLINIC

LAW SCHOOL	SATISFIED Number	Percent	INDIFFERENT Number	Percent	DISATISFIED Number	Percent	TOTAL RESPONDENTS
GONZAGA	107	91.45%	4	3.42%	6	5.13%	117
INDIANA	37	94.87%	1	2.56%	1	2.56%	39
LOYOLA	20	90.91%	0	0.00%	2	9.09%	22
MCGEORGE	325	87.60%	37	9.97%	9	2.43%	371
NORTH DAKOTA	5	100.00%	0	0.00%	0	0.00%	5
NOTRE DAME	41	85.42%	5	10.42%	2	4.17%	48
SAN DIEGO	5	71.43%	2	28.57%	0	0.00%	7
SMU	50	98.04%	0	0.00%	1	1.96%	51
ST. MARY'S	43	100.00%	0	0.00%	0	0.00%	43
SUNY/BUFFALO	79	90.80%	2	2.30%	6	6.90%	87
UNC	37	97.37%	1	2.63%	0	0.00%	38
U.VA.	22	100.00%	0	0.00%	0	0.00%	22
VERMONT	34	91.89%	1	2.70%	2	5.41%	37
WM. MITCHELL	43	87.76%	2	4.08%	4	8.16%	49
TOTAL	848	90.60%	55	5.88%	33	3.53%	936

THIS CHART REPRESENTS CLIENT SATISFACTION SURVEYS FROM MONTHS 1-12.

FILE CSSCONF.WKS
DATE: 2/12/86

CLIENT SATISFACTION SURVEY RESULTS

SATISFACTION -- THE CLINIC ACTED IN A CONFIDENTIAL MANNER

LAW SCHOOL	SATISFIED Number	SATISFIED Percent	INDIFFERENT Number	INDIFFERENT Percent	DISATISFIED Number	DISATISFIED Percent	TOTAL RESPONDENTS
GONZAGA	113	96.58%	2	1.71%	2	1.71%	117
INDIANA	39	100.00%	0	0.00%	0	0.00%	39
LOYOLA	22	95.65%	0	0.00%	1	4.35%	23
MCGEORGE	361	96.52%	12	3.21%	1	0.27%	374
NORTH DAKOTA	5	100.00%	0	0.00%	0	0.00%	5
NOTRE DAME	48	97.96%	1	2.04%	0	0.00%	49
SAN DIEGO	8	100.00%	0	0.00%	0	0.00%	8
SMU	50	98.04%	0	0.00%	1	1.96%	51
ST. MARY'S	42	100.00%	0	0.00%	0	0.00%	42
SUNY/BUFFALO	86	97.73%	2	2.27%	0	0.00%	88
UNC	37	97.37%	0	0.00%	1	2.63%	38
U.VA.	32	100.00%	0	0.00%	0	0.00%	32
VERMONT	26	96.30%	0	0.00%	1	3.70%	27
WM. MITCHELL	48	96.00%	1	2.00%	1	2.00%	50
TOTAL	917	97.24%	18	1.91%	8	0.85%	943

THIS CHART REPRESENTS CLIENT SATISFACTION SURVEYS FOR MONTHS 1-12.

ATTACHMENT A-18
Page 5 of 6

ATTACHMENT A-19
Page 1 of 6

BQUE5.WKS
2/14/86

SUMMARY OF RESPONSES TO QUESTION 5 ON THE STUDENT SURVEY:
"WAS THIS YOUR FIRST EXPERIENCE IN DEALING WITH INDIGENT CLIENTS?"

	YES		NO		TOTAL
	NUMBER	PERCENTAGE	NUMBER	PERCENTAGE	RESPONDENTS
GONZAGA	11	73.33%	4	26.67%	15
INDIANA	10	45.45%	12	54.55%	22
LOYOLA	11	91.67%	1	8.33%	12
MCGEORGE	36	66.67%	18	33.33%	54
NORTH DAKOTA	5	83.33%	1	16.67%	6
NOTRE DAME	9	56.25%	7	43.75%	16
SAN DIEGO	8	57.14%	6	42.86%	14
SMU	40	76.92%	12	23.08%	52
ST. MARYS	15	71.43%	6	28.57%	21
SUNY	5	35.71%	9	64.29%	14
UNC	20	47.62%	22	52.38%	42
VERMONT	21	84.00%	4	16.00%	25
VIRGINIA	19	54.29%	16	45.71%	35
WILLIAM MITCHELL	13	68.42%	6	31.58%	19
TOTAL	223	64.27%	124	35.73%	347

THIS CHART REPRESENTS LAW STUDENT SURVEYS FROM MONTHS 1-12.

NOTE: GONZAGA, LOYOLA, MCGEORGE, AND NOTRE DAME HAVE REPORTED
SURVEYS FOR MONTHS 1-6 ONLY.

FILE CSSRESP.WKS
DATE: 2/12/86

CLIENT SATISFACTION SURVEY RESULTS

SATISFIED THAT THE CLINIC TREATED YOU WITH RESPECT

LAW SCHOOL	SATISFIED Number	SATISFIED Percent	INDIFFERENT Number	INDIFFERENT Percent	DISATISFIED Number	DISATISFIED Percent	TOTAL RESPONDENTS
GONZAGA	114	97.44%	2	1.71%	1	0.85%	117
INDIANA	39	100.00%	0	0.00%	0	0.00%	39
LOYOLA	22	95.65%	0	0.00%	1	4.35%	23
MCGEORGE	363	96.29%	12	3.18%	2	0.53%	377
NORTH DAKOTA	5	100.00%	0	0.00%	0	0.00%	5
NOTRE DAME	48	97.96%	1	2.04%	0	0.00%	49
SAN DIEGO	8	100.00%	0	0.00%	0	0.00%	8
SMU	51	98.08%	0	0.00%	1	1.92%	52
ST. MARY'S	44	100.00%	0	0.00%	0	0.00%	44
SUNY/BUFFALO	88	96.70%	0	0.00%	3	3.30%	91
UNC	38	100.00%	0	0.00%	0	0.00%	38
U.VA.	32	100.00%	0	0.00%	0	0.00%	32
VERMONT	26	96.30%	0	0.00%	1	3.70%	27
WM. MITCHELL	49	98.00%	1	2.00%	0	0.00%	50
TOTAL	927	97.37%	16	1.68%	9	0.95%	952

THIS CHART REPRESENTS CLIENT SATISFACTION SURVEYS FOR MONTHS 1-12.

FILE: BQUE6.WKS
2/14/86

SUMMARY OF RESPONSES TO QUESTION 6 ON THE STUDENT SURVEY:
"PRIOR TO ENTERING THE CLINIC, HAD YOU CONSIDERED A CAREER
IN PROVIDING LEGAL SERVICES TO INDIGENT CLIENTS?"

	YES		NO		TOTAL
	NUMBER	PERCENTAGE	NUMBER	PERCENTAGE	RESPONDENTS
GONZAGA	5	33.33%	10	66.67%	15
INDIANA	14	63.64%	8	36.36%	22
LOYOLA	7	58.33%	5	41.67%	12
MCGEORGE	13	24.53%	40	75.47%	53
NORTH DAKOTA	2	33.33%	4	66.67%	6
NOTRE DAME	8	50.00%	8	50.00%	16
SAN DIEGO	9	69.23%	4	30.77%	13
SMU	10	18.87%	43	81.13%	53
ST. MARYS	5	23.81%	16	76.19%	21
SUNY	11	78.57%	3	21.43%	14
UNC	31	73.81%	11	26.19%	42
VERMONT	15	60.00%	10	40.00%	25
VIRGINIA	26	74.29%	9	25.71%	35
WILLIAM MITCHELL	5	26.32%	14	73.68%	19
TOTAL	161	46.53%	185	53.47%	346

THIS CHART REPRESENTS LAW STUDENT SURVEYS FROM MONTHS 1-12.

NOTE: GONZAGA, LOYOLA, MCGEORGE, AND NOTRE DAME HAVE REPORTED
SURVEYS FOR MONTHS 1-6 ONLY.

FILE: BQUE6A.WKS
2/14/86

SUMMARY OF RESPONSES TO QUESTION 6A ON THE STUDENT SURVEY: "WOULD YOU NOW CONSIDER SUCH A CAREER (SERVING INDIGENT CLIENTS)?"

	YES NUMBER	PERCENTAGE	NO NUMBER	PERCENTAGE	TOTAL RESPONDENTS
GONZAGA	8	53.33%	7	46.67%	15
INDIANA	17	80.95%	4	19.05%	21
LOYOLA	10	83.33%	2	16.67%	12
MCGEORGE	23	44.23%	29	55.77%	52
NORTH DAKOTA	5	83.33%	1	16.67%	6
NOTRE DAME	12	75.00%	4	25.00%	16
SAN DIEGO	10	71.43%	4	28.57%	14
SMU	22	43.14%	29	56.86%	51
ST. MARYS	14	73.68%	5	26.32%	19
SUNY	11	78.57%	3	21.43%	14
UNC	32	76.19%	10	23.81%	42
VERMONT	20	80.00%	5	20.00%	25
VIRGINIA	26	74.29%	9	25.71%	35
WILLIAM MITCHELL	5	26.32%	14	73.68%	19
TOTAL	215	63.05%	126	36.95%	341

THIS CHART REPRESENTS LAW STUDENT SURVEYS FROM MONTHS 1-12.

NOTE: GONZAGA, LOYOLA, MCGEORGE, AND NOTRE DAME HAVE REPORTED SURVEYS FOR MONTHS 1-6 ONLY.

ATTACHMENT A-19
Page 3 of 6

8QUE4F.WKS

SUMMARY OF RESPONSES TO QUESTION 4F ON THE STUDENT SURVEY:
"AS A RESULT OF MY INVOLVEMENT IN THE CLINIC, I FEEL MORE
CONFIDENT IN MY ABILITY TO HANDLE A CASE FOR AN INDIGENT CLIENT"

	1&2		3		4&5		
	AGREE		INDIFFERENT		DISAGREE		TOTAL
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT	RESPONDENTS
GONZAGA	14	93.33%	1	6.67%	0	0.00%	15
INDIANA	22	100.00%	0	0.00%	0	0.00%	22
LOYOLA	12	100.00%	0	0.00%	0	0.00%	12
MCGEORGE	52	96.30%	1	1.85%	1	1.85%	54
NORTH DAKOTA	3	100.00%	0	0.00%	0	0.00%	3
NOTRE DAME	15	93.75%	1	6.25%	0	0.00%	16
SAN DIEGO	4	100.00%	0	0.00%	0	0.00%	4
SMU	51	92.73%	4	7.27%	0	0.00%	55
ST. MARYS	21	100.00%	0	0.00%	0	0.00%	21
SUNY	13	100.00%	0	0.00%	0	0.00%	13
UNC	18	90.00%	2	10.00%	0	0.00%	20
VERMONT	25	100.00%	0	0.00%	0	0.00%	25
VIRGINIA	34	97.14%	1	2.86%	0	0.00%	35
WILLIAM MITCHELL	16	84.21%	2	10.53%	1	5.26%	19
TOTAL	300	95.54%	12	3.82%	2	0.64%	314

THIS CHART REPRESENTS LAW STUDENT SURVEYS FROM MONTHS 1-12.

NOTE: GONZAGA, LOYOLA, MCGEORGE, AND NOTRE DAME HAVE REPORTED
SURVEYS FOR MONTHS 1-6 ONLY.

BQUE7A.WKS
2/14/86

SUMMARY OF RESPONSES TO QUESTION 7A ON THE STUDENT SURVEY:
WERE YOU EXPOSED TO PRO BONO ACTIVITY DURING YOUR PREVIOUS
SUMMER LEGAL EXPERIENCE?

	YES NUMBER	PERCENTAGE	NO NUMBER	PERCENTAGE	TOTAL RESPONDENTS
GONZAGA	2	16.67%	10	83.33%	12
INDIANA	3	23.08%	10	76.92%	13
LOYOLA	1	9.09%	10	90.91%	11
MCGEORGE	11	27.50%	29	72.50%	40
NORTH DAKOTA	2	33.33%	4	66.67%	6
NOTRE DAME	5	38.46%	8	61.54%	13
SAN DIEGO	9	69.23%	4	30.77%	13
SMU	11	22.45%	38	77.55%	49
ST. MARYS	4	23.53%	13	76.47%	17
SUNY	4	33.33%	8	66.67%	12
UNC	33	80.49%	8	19.51%	41
VERMONT	2	14.29%	12	85.71%	14
VIRGINIA	15	42.86%	20	57.14%	35
WILLIAM MITCHELL	4	23.53%	13	76.47%	17
TOTAL	106	36.18%	187	63.82%	293

THIS CHART REPRESENTS LAW STUDENT SURVEYS FROM MONTHS 1-12.

NOTE: GONZAGA, LOYOLA, MCGEORGE, AND NOTRE DAME HAVE REPORTED
SURVEYS FOR MONTHS 1-6 ONLY.

BQUE8.WKS
2/14/86

SUMMARY OF RESPONSES TO QUESTION 8 ON THE STUDENT SURVEY:
"HAS YOUR EXPOSURE IN THIS CLINIC AFFECTED YOUR
WILLINGNESS TO PROVIDE PRO BONO SERVICES IN THE FUTURE?"

	YES NUMBER	PERCENTAGE	NO NUMBER	PERCENTAGE	TOTAL RESPONDENTS
GONZAGA	10	71.43%	4	28.57%	14
INDIANA	17	77.27%	5	22.73%	22
LOYOLA	9	75.00%	3	25.00%	12
MCGEORGE	38	71.70%	15	28.30%	53
NORTH DAKOTA	2	66.67%	1	33.33%	3
NOTRE DAME	15	93.75%	1	6.25%	16
SAN DIEGO	2	50.00%	2	50.00%	4
SMU	29	55.77%	23	44.23%	52
ST. MARYS	17	89.47%	2	10.53%	19
SUNY	7	50.00%	7	50.00%	14
UNC	13	68.42%	6	31.58%	19
VERMONT	20	80.00%	5	20.00%	25
VIRGINIA	31	88.57%	4	11.43%	35
WILLIAM MITCHELL	11	57.89%	8	42.11%	19
TOTAL	221	71.99%	86	28.01%	307

THIS CHART REPRESENTS LAW STUDENT SURVEYS FROM MONTHS 1-12.

NOTE: GONZAGA, LOYOLA, MCGEORGE, AND NOTRE DAME HAVE REPORTED
SURVEYS FOR MONTHS 1-6 ONLY.

ATTACHMENT A-19
Page 6 of 6

ATTACHMENT A-20

% Change in Average Figures From First Six Months to Second Six Months

Cost Per Case Closed:	Budgeted LSC	275.03 to 168.81	-	34.32% Decreasing
	Actual LSC	199.82 to 160.68	-	19.59% Decreasing
	Total Budgeted	524.78 to 344.68	-	34.32% Decreasing
	Total Actual	450.42 to 355.48	-	21.08% Decreasing
Cost Per Hour:	Budgeted LSC	32.10 to 12.21	-	61.96% Decreasing
	Actual LSC	24.96 to 11.63	-	53.41% Decreasing
	Total Budgeted	65.54 to 24.94	-	61.95% Decreasing
	Total Actual	56.25 to 25.72	-	54.28% Decreasing

# of Cases (Increasing)	1376 to 2095	-	52.25% Increasing

# of Students (Increasing)	Fall 1984	Spring 1985	Increase
	134	176	31.34%

Preliminary data based on 7 schools reporting both categories from half of the schools indicates an increase from Spring 1985 to Fall 1985.

Spring 1985	Fall 1985	Increase
101	106	4.95%

From the Fall of 1984 to the Fall of 1985, this represents a 53.62% increase in the number of participating students in the seven schools reporting both semesters.

Fall 1984	Fall 1985	Increase
69	106	53.62%

ATTACHMENT B-1

CASE SERVICE REPORTING DATA SHEET Law School ____________________

1. Client name ______________________________________

2. Client case identifying number ____________________________

3. Name of attorney/law student ____________________________

4. Age of client (years) __________

5. Sex of client (circle one) 1. Male 2. Female

6. Ethnicity of client: 1. White, 2. Black, 3. Hispanic American, 4. American Indian, or 5. Asian American

7. Language: 1. English 2. Spanish 3. Other

8. Handicapped: 1. Yes 2. No

9. Client residence (city/county): ______________/______________

10. Has client used LSC funded legal services before? 1. Yes 2. No

11. Did clinic involvement in this case result in an additional case(s) for the client? 1. Yes 2. No

12. Date case opened (first interview with private attorney) (month/day/year) ___/___/___

13. Date case closed (month/day/year) ___/___/___

14. Type of case: (list one code number) __________ (See attached coding list)

15. Reason for case closure: (list one code number) __________ (See attached coding list)

16. County of court/name of court ______________________________

17. Was the client referred to another source for legal needs not available in this clinic? 1. Yes 2. No

18. Was the client provided a client satisfaction survey form? 1. Yes 2. No

19. Identify attorney and staff hours (to within 1/4 hour increments) for the case:

Job category	Hours
1. Attorney hours	________
2. Law student hours	________
3. Secretary hours	________
4. Paralegal hours	________
5. Other	________

20. Special comments ______________________________________

REASONS FOR CASE CLOSURE

01	Advice
02	Brief service
03	Referred after legal assessment
04	Insufficient merit to proceed
05	Client withdrew or did not return
06	Negotiated settlement without litigation
07	Negotiated settlement with litigation
08	Administrative agency decision
09	Court decision
10	Change in eligibility status
11	Referral without legal Assessment
12	Other

TYPES OF CASE
(code/category)

Consumer Finance
01 Bankruptcy/Debtor Relief
02 Collection
03 Contracts/Warranties
04 Credit Access
05 Energy
06 Loans/Installment Purchases
07 Public Utilities
08 Unfair Sales Practice
09 Other Consumer/Finance

Education
10 Education

Employment
11 Job Discrimination
12 Wage Claims
13 Other Employment

Family
14 Family Adoption
15 Custody/Visitation
16 Divorce/Separation/Annulment
17 Guardianship/Conservatorship
18 Name Change
19 Parental Rights Termination
20 Paternity
21 Spouse Abuse
22 Support
23 Other Family

Juvenile
24 Delinquent
25 Neglected/Abused/Dependent
26 Other Juvenile

Health
27 Medicaid
28 Medicare
29 Other Health

Housing
30 Federal Housing
31 Homeownership/Real Property
32 Landlord/Tenant
33 Other Public Housing
34 Other Housing

Income Maintenance
35 AFDC/Other Welfare
36 Black Lung
37 Food Stamps/Commodities
38 Social Security
39 SSI
40 Unemployment Compensation
41 Veterans Benefits
42 Workers Compensation
43 Other Income Maintenance

Individual Rights
44 Immigration/Naturalization
45 Mental Health
46 Prisoners Rights
47 Physically Disabled Rights
48 Other Individual Rights

Miscellaneous
49 Incorporation/Dissolution
50 Indian/Tribal Law
51 License (Auto & Others)
52 Torts
53 Wills/Estates
54 Other Miscellaneous

INSTRUCTIONS FOR COMPLETING
A CASE SERVICE REPORT (CSR) DATA SHEET

A Case Service Report (CSR) must be completed for each case accepted by a law school civil clinic. This includes all cases accepted prior to the grant but currently pending. A CSR should also be completed for a case in which the client withdraws.

In the upper right corner of the CSR form, a space is provided to enter the name of your law school. This must be provided to ensure that each CSR is properly recorded. In addition, the CSR form provides a space to enter a client case identifying number. The identifying number should be unique to each case that is opened. This is extremely important because the case number is integral to the data collection process and will be used in conjunction with the CSS form.

Types of Information

The CSR form will permit the Office of Program Development (OPD) to gather information in four areas which will be useful in the evaluation of the project:

1) Client Demographic Variables - These items are represented in questions 4 thru 9. By collecting information for these elements OPD will be able to best describe the types of clients that are being served;

2) Time Element Variables - These items are represented in questions 12, 13, and 19. Questions 12 and 13 will provide valuable information on the time required to handle various types of cases. Question 19 provides OPD with a breakdown of staff time invested in each case. This is important in understanding how attorney and staff time is used for the various cases that the clinic handles;

3) Case Types and Reasons for Case Closure Variables - These items are addressed in questions 14 and 15. This information will aid OPD in determining the types of services provided in the clinic and will permit linkage of time variables with case types and reasons for case closure. Because of the importance of these variables, it is crucial that the Law School Clinic use only those codes provided by LSC (see attachment). These codes are identical to those employed by existing local legal services programs funded by the LSC; and

4) Client Usage Variables - This information is represented in questions 10, 11, 17, and 18. This data will provide information regarding the frequency of client usage of this project and other legal services.

CSR Reporting

Copies of all completed CSR forms must be provided to OPD. The CSR forms should be attached to the six-month progress report for that period. To efficiently carry out this task, we recommend you photocopy the CSR form and send it to OPD, while maintaining the original for your files. To ensure client confidentiality, client names must be masked on all copies of CSR forms provided to LSC.

OPD will compile the CSR data from all fourteen participating schools into an aggregated form. The Law School Clinic is not required to compile or tabulate any of the information on the CSR form; these tasks will be the responsibility of OPD.

CSR Elements

As stressed earlier in this instruction packet, it is extremely important that the CSR form be carefully completed. The instructions below provide assistance in completing each element of the CSR form.

In the upper right hand corner of the CSR form, enter the name of your law school. Then proceed to complete the elements of the form as described below:

1. Client name - Each client name must be masked before the form is mailed to OPD. This is done to protect the Attorney-Client relationship.
2. Client case identifying number - At the initial interview with the client, a non-repeating number should be assigned to the client. This number which identifies the client should be unique to each client case. This number will permit communication about case data between the clinic and OPD, and it will permit matching of CSR data with CSS data.
3. Name of attorney and law student - For each case indicate the attorney and law student(s) who worked on the case.
4. Age of client - Please fill in the correct age of the client.
5. Sex of client - Please circle the correct response; do not check or underline.
6. Ethnicity of client - Circle the correct response.
7. Language - Circle the correct response.
8. Handicapped - Circle "Yes" if the client is in anyway handicapped.
9. Client residence - To complete this line of the form fill in the city and county of the client. There is no need to provide either the street address or zip code.
10. Has client used LSC funded services before - To complete simply circle the correct response.

11. Did clinic involvement in this case result in additional case(s) for the client - Simply circle the correct answer.

12. Date case opened - Enter the date the case was accepted by the Law School Clinic. The correct method of date entry is month/day/year, with a zero preceding any single digit month or day.

13. Date case closed - Fill in the date of case closure as determined by the attorney and law student. Use the same date entry format as described in number 12.

14. Type of case - The code used should be determined by the supervising attorney and law student involved with the case. Use only those codes provided in this package, listing only one code for each CSR.

15. Reason for case closure - The reason for case closure should be determined by the supervising attorney and law student involved with the case. Use only those codes provided in this package, listing only one code for each CSR.

16. County of court/name of court - If any legal action is filed with a court, please specify the name of the court and the county it is in. The address and zip code of the court need not be reported.

17. Was the client referred to another source - If the client's legal problem was referred to some other legal aid service or private attorney, circle "Yes".

18. Was the client provided a client satisfaction survey - Circle the correct response. Each client must be provided the opportunity to complete a CSS form. If the response is "No", please indicate in the special comment section why the client was not afforded this opportunity.

19. Attorney and staff hours - When completing this section report the total number of hours to within the nearest one-quarter hour increment worked by each job category. Please fill in all appropriate sections since this data is extremely important to OPD evaluation and monitoring efforts.

20. Special comments - Use this section (and the reverse side of the CSR form) to record any special comments about the case. When providing OPD with copies of the CSR forms, be sure to copy any special comments on the reverse side. Write the name of the Law School Clinic and the client case identifying number on any such pages and staple them to the appropriate CSR.

ATTACHMENT B-2

CSR Number: ____________________

Law School Name: ________________

A CLIENT SATISFACTION SURVEY QUESTIONNAIRE

1. How did you first contact the law school clinic? Please check the appropriate response.

____ The local legal services office made an appointment.

____ The local legal services office gave me the name, address, and phone number of the law school clinic to which my case was referred, and I then made an appointment with the law student who handled my case.

____ I contacted the clinic myself.

---

2. Was the location of the law school clinic convenient to visit?

____ Yes
____ No (If no, why was it inconvenient?)

____

____

---

3. Did you have difficulty getting a convenient appointment with the law school clinic?

____ Yes (If yes, how long did you have to wait?)
____ No

____

____

---

4. Did the law school clinic prepare or review a legal document or other papers for you?

____ Yes
____ No
____ Don't know
____ Can't remember

A CLIENT SATISFACTION SURVEY QUESTIONNAIRE
Page Two

5. Did the law school clinic give you advice or tell you how to proceed?

____ Yes
____ No
____ Don't know
____ Can't remember

---

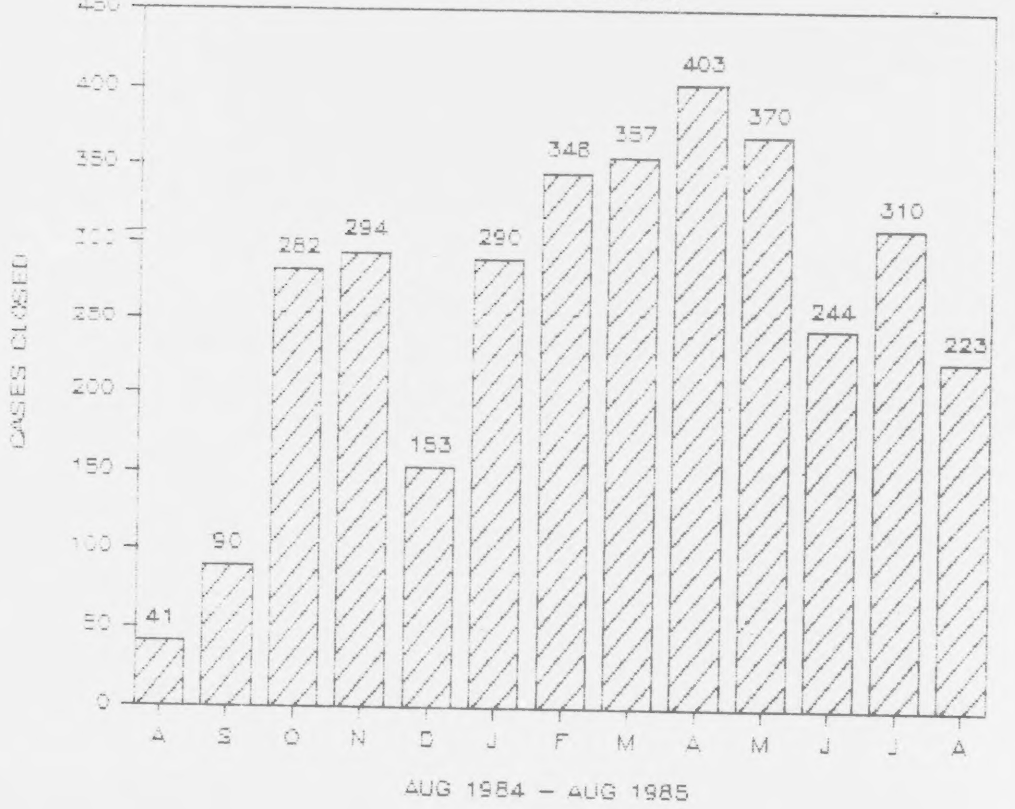
6. Did the law school clinic deal with other persons or organizations on your behalf; either in person, by telephone, or by letter?

____ Yes
____ No
____ Don't know
____ Can't remember

Please check the appropriate answer.

			Very Satisfied	Satisfied	Indifferent	Dissatisfied	Very Dissatisfied
7.	A.	Are you satisfied that the law school clinic acted in a confidential manner. (check one)	1	2	3	4	5
	B.	Are you satisfied that your legal problem was solved in a professional manner. (check one)	1	2	3	4	5
	C.	Are you satisfied that the law school clinic treated you with respect. (check one)	1	2	3	4	5
	D.	How satisfied are you with the quality of legal services received at the clinic. (check one)	1	2	3	4	5
	E.	How satisfied are you that the law school clinic represented your point of view in the case. (check one)	1	2	3	4	5
	F.	Are you satisfied with the outcome of your legal case. (check one)	1	2	3	4	5

Attachment A-21

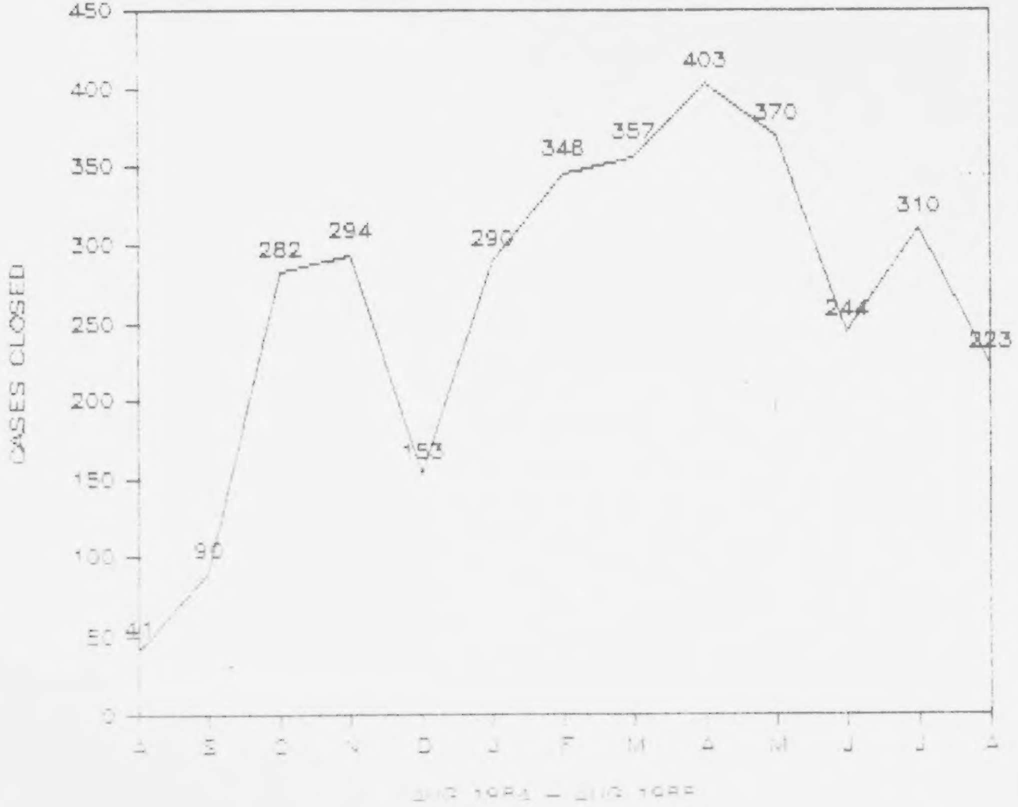


CASES CLOSED BY MONTH

ALL LAW SCHOOLS

CASES CLOSED BY MONTH

ALL LAW SCHOOLS



Attachment A-21

A CLIENT SATISFACTION SURVEY QUESTIONNAIRE
Page Three

8. How many times did you visit the law school clinic until your case was completed?

____ (Number of times)
____ Can't remember

---

9. Looking back on your case, did it:

____ take much longer than you expected
____ took about as long as you had expected
____ took much less time than you expected

---

10. Would you come to this law school clinic again if you had another legal problem?

____ Yes
____ No (If no, why not?)

____

____

Please add any additional comments you wish to make.

____

____

____

____

THE PROCEDURE FOR COLLECTING CLIENT SATISFACTION SURVEY (CSS) DATA

The Client Satisfaction Survey (CSS) is an integral part of the reporting mechanism for the Law School Civil Clinical Program. Therefore, every attempt must be made to ensure that each client served by your law school clinic is issued a CSS form. It is, of course, the client's right to refuse to participate in the survey.

When a case is closed, provide the client with a CSS form. Be sure to enter both the client case identifying number from the CSR form and the Law School Clinic name in the upper right hand corner of the CSS form prior to giving the form to the client. This information is critical to matching CSS responses with the CSR forms.

To increase the number of clients completing the CSS form, OPD recommends that the Law Clinic take the following actions:

1) Issue the CSS form either shortly before the client's case is closed or at time of case closure;
2) Inform the client that the CSS form is strictly confidential and that his/her name will not be used;
3) Provide the client an opportunity to complete the form in private before leaving the clinic; and
4) Provide a central collection box in the clinic for the client to deposit the survey.

By increasing the response rate OPD will be able to gain better insight into the quality of care provided by the Law School Civil Clinical Program.

Completed CSS forms are to be sent to OPD in six month intervals along with the CSR forms and the progress reports for that period.

Because the CSR and CSS forms are the two main data collection devices for the Law School Civil Clinical Program, it is important that these forms are carefully completed.

ATTACHMENT B-3

LAW SCHOOL CIVIL CLINICAL PROGRAM:
STUDENT SURVEY

Law School: ____________________________

1. How many hours of clinic work per week were required for credit? __________hrs. per week

2. On average, how many hours per week did you actually work in the clinic? __________hrs. per week

3. How many court or administrative hearings did you participate in by: (circle the appropriate response)

a) working on written pleadings	0	1-3	4-6	7-9	10-13	13+
b) providing oral representation	0	1-3	4-6	7-9	10-13	13+

4. What general types of cases did you handle? (check as many as are applicable)

___Consumer Finance
___Education
___Employment
___Family
___Individual rights
___Juvenile
___Health
___Housing
___Income Maintenance
___Miscellaneous (please specify)
____

(circle the appropriate response for each statement)	Strongly Agree	Agree	Indifferent	Disagree	Strongly Disagree
a. These cases were of interest to me prior to my invovlement in the clinic.	1	2	3	4	5
b. I would like to continue to practice law in these areas.	1	2	3	4	5
c. The pre-requisite courses for the clinic were helpful concerning substantive or procedural issues in my caseload.	1	2	3	4	5
d. I felt comfortable in dealing with my clients.	1	2	3	4	5
e. The clinical program significantly improved my interpersonal skills with clients.	1	2	3	4	5
f. As a result of my involvement in the clinic, I feel more confident in my ability to handle a case for an indigent client.	1	2	3	4	5

Page two

5. Was this your first experience to dealing with indigent clients? ____ Yes ____ No

6. Prior to entering the clinic, had you considered a career in providing legal services to indigent clients? ____ Yes ____ No

   a. Would you now consider such a career? ____ Yes ____ No

7. Have you had other summer legal experience? ____ Yes ____ No

   a. If so, were you exposed to Pro Bono activity in that job? ____ Yes ____ No

8. Has your exposure in this clinic affected your willingness to provide Pro Bono services in the future? ____ Yes ____ No

9. How did your perception of the clinic course change after you went through the course activity?

____

____

____

____

____

10. What suggestions would you offer to improve you school's clinical program?

____

____

____

____

____

RESPONSES TO CONGRESSMAN EARLY'S QUESTIONS

QUESTION: Specifically, what kind of services has the LSC delivered to the poor as a result of the Elderlaw project?

Particularly in light of the dire needs of many of this nations old, has the Corporation considered allocating additional resources towards this project? Funding for these two-year clinics is currently scheduled to end in July, 1987 -- at this time, is the LSC considering continuing this program beyond that date?

ANSWER: The Congressionally mandated $2 million was allocated as follows:

20 law school clinics -	$1,636,910
6 material development grants -	140,270
11 private bar pro bono projects -	222,820

The Law School Clinic program has augmented the existing service delivery system. The funded law school clinics have generally concentrated services in the specific case categories representing the majority of all LSC cases nationwide -- family, housing consumer finance, and income maintenance. Additionally, the clinics have primarily concentrated on litigated services, and have closed a higher percentage of cases (23.05%) through the CSR case closure categories of "Court Decision", "Administrative Agency Decision" or "Negotiated Settlement with Litigation" than the national average of the basic field programs (17.2%)).

LSC is considering the continuation of this program beyond July of 1987. LSC had proposed an increase in funding for this program in FY '86 but the conference report to the Appropriations Bill provided only $13 million for LSC management and other programs which included this program.

RESPONSES TO CONGRESSMAN EARLY'S QUESTIONS

QUESTION: On a national basis, basic field funding in the 1985 averaged $8.39 per poor person? What do you estimate it will be in 1986? Will the $13,137,000 sequestration have an effect on this amount?

ANSWER: The basic field funding in 1986 is estimated to average $8.36 per poor person (or *per capita*). While it is evident that the sequestration will have a minor impact on this average, an increase in outside funding sources will produce an increase in overall per capita funding in 1986.

RESPONSES TO CONGRESSMAN EARLY'S QUESTIONS

QUESTION: The LSC Budget Dissent Proposal for FY '87 states that the average LSC recipient attorney salary in 1983 was $21,150; but that in 1985 it reached $26,890 -- an increase of 27% -- which is over three times the increase in the Consumer Price Index. Would you agree with these figures and salaries?

The Proposal also notes that the average attorney fringe benefits increased by 44% for the same period. Do you agree with this?

ANSWER: All of the given figures, salaries, and benefits are accurately stated.

RESPONSES TO CONGRESSMAN EARLY'S QUESTIONS

QUESTION: Again this year your budget justifications show carryover funds from last year -- in the amount of $17,596? Please explain why the money wasn't utilized?

ANSWER: See attached breakdown of 1985 LSC Carryover Funds.

BREAKDOWN OF 1985 LSC CARRYOVER FUNDS

(As of September 30, 1985)

17,596	Total Carryover (in thousands of dollars)
8,000	Drake and Loyola Law Schools
3,849	Reggie Program (500 was saved in administrative costs by moving Reggie in-house. This will be shifted to Law Schools.)
907	Case Service Reports Project (757 has been spent on computer hardware; 150 has been designated for training and assistance for CSR.)
704	Special Monitoring program (This amount remains out of 1,000 allocated in FY 1985.)
231	Remains from LSC Headquarters move. Most of this will be spent in near future when LSC pays for telephone system and other expenses.
821	Contractually obligated Program Development projects.
500	Legal Needs Study.
873	Litigation reserve (112 has already been spent in 1986; LSC expects to incur high litigation costs in 1986.)
432	National Clients Council funding transferred to National Support.
347	Designated for training for functional reporting.
300	Designated for special studies - CALR study is required under consent agreement; migrant study has been called for by Congressional leaders.
632	Miscellaneous commitments*

* Basic Field adjustments	19
Native American Funding	117
DSS - equalize w/Basic Field	43
Prior-year funding shortfalls	12
Close-out of Elderlaw	50
Training grants	96
Additional Law School funds	93
Corporation Xerox machine	60
Undistributed	162
	632

RESPONSES TO CONGRESSMAN EARLY'S QUESTIONS

QUESTION: It is my understanding that the LSC has proposed a rule which revises current LSC regulations governing the denial of refunding to recipient programs (published in Federal Register on February 7, 1986).

Would you clarify for us the reasons the LSC wants to revise these regulations? Would this proposal lengthen or shorten the notice to the recipient requests for hearings, etc?

ANSWER: The purpose in revising these regulations is to bring LSC regulations into conformity with the 1984-1986 Appropriation Bills. This denial of refunding regulation places the burden of proof on the recipient, provides for the proceedings to be in the form of a show cause hearing, and ensures that all denial of refunding proceedings be completed within 90 days -- 30 for recipient request of a hearing, 30 days for the hearing, and 30 days for the rendering of a final decision. The revision not only lengthens the amount of notice to be given to a recipient but increases the amount of information required to substantiate an allegation.

MONDAY, MARCH 24, 1986.

SMALL BUSINESS ADMINISTRATION

WITNESSES

ROBERT A. TURNBULL, ASSOCIATE DEPUTY ADMINISTRATOR

HARRY S. CARVER, COMPTROLLER

EDWIN T. HOLLOWAY, ASSOCIATE ADMINISTRATOR FOR FINANCE AND INVESTMENT

Mr. SMITH. This afternoon we will consider the fiscal 1987 budget request for the Small Business Administration. The fiscal 1987 request is for $2,803,621,000. That is comprised of $212,300,000 for Salaries and Expenses; $2,522,000,000 for the Business Loan and Investment Fund; $17,425,000 for the Surety Bond Guarantees Revolving Fund; and $21,000,000 for the Pollution Control Equipment Contract Guarantees Revolving Fund. The total request is an increase of $1,918,039,000 above the amounts appropriated for 1986, adjusted for sequestration.

We will insert the justification materials in support of the request in the record at this point.

[The justification material follows:]

SMALL BUSINESS ADMINISTRATION
FY 1987 - Congressional Submission

Table of Contents

Pages

Summary Data:

Budget Overview 1-3
General Statement 4-7

Supporting Schedules:

Program Levels 8
Outlays and Budget Authority by Fund 9
Salaries and Expenses - Analysis by Activity 10
Full-Time Equivalents - Analysis by Activity 11
Detail of Permanent Positions 12-15
Salaries and Expenses - Appropriation Language 16
Salaries and Expenses - Program and Financing Schedules 17-18
Salaries and Expenses - Object Classification 19-20
Salaries and Expenses - Personnel Summary 21
Salaries and Expenses - G-R-H Reductions 22-24
White House Conference - Program and Financing Schedule 25
White House Conference - G-R-H Adjustments 26
Agencywide Summary - Excluding Disaster Assistance 27
Agencywide Summary - Including Disaster Assistance 28
Agencywide Summary - G-R-H Reductions 29
Agencywide Summary - Transfer to the Department of the Treasury... 30
Agencywide Summary - Transfer to the Department of Commerce 31

Activities:

Finance and Investment 32-34
Disaster Assistance 35-37
Procurement and Technical Assistance 38-41
Minority Small Business and Capital Ownership Development 42-44
Innovation, Research and Technology 45-47
Business Development 48-51
Special Programs 52-54
Advocacy 55-57
Management and Administration 58-62
Information Resources Management 63-65
General Counsel 66-68
Inspector General 69-71
Hearings and Appeals 72-74
Congressional and Legislative Affairs 75-77
Executive Direction and Field Administration 78-81
White House Conference on Small Business 82-84

Lending Programs:

General Statement........ 85

Business Loan and Investment Fund:

Appropriation Language........ 86
Program and Financing Schedules........ 87-89
Status of Direct Loans........ 90
Status of Guaranteed Loans........ 91
Loan Program Levels........ 92
Narrative Statement on Program and Performance........ 93
Revenue and Expense........ 94
Financial Condition........ 95-97
Object Classification........ 98

Disaster Loan Fund:

Appropriation Language........ 99
Program and Financing Schedules........ 100-102
Status of Direct Loans........ 103
Status of Guaranteed Loans........ 104
Revenue and Expense........ 105
Financial Condition........ 106-107
Object Classification........ 108

Surety Bond Guarantees Fund:

Appropriation Language........ 109
Program and Financing Schedule........ 110
Narrative Statement on Program and Performance........ 111
Revenue and Expense........ 112
Financial Condition........ 113-114

Lease Guarantee Fund:

Program and Financing Schedules........ 115-116
Narrative Statement on Program and Performance........ 117
Revenue and Expense........ 118
Financial Condition........ 119-120
Object Classification........ 121

Pollution Control Equipment Contract Guarantees Fund:

Appropriation Language........ 122
Program and Financing Schedules........ 123-124
Status of Guaranteed Loans........ 125
Narrative Statement on Program and Performance........ 126
Revenue and Expense........ 127
Financial Condition........ 128

SMALL BUSINESS ADMINISTRATION

FY 1987 Budget - Congressional Submission

BUDGET OVERVIEW

INTRODUCTION

The budget submission of the Small Business Administration reflects the overall Administration policy of eliminating duplication of programs and personnel, of privitizing certain present functions, of limiting the size and cost of Government, of reducing federal credit activity, and of reducing or eliminating certain functions in an effort to reduce the Federal budget deficit. The budget submission proposes to transfer SBA to the Department of Commerce, where certain functions of SBA would continue as an agency headed by an administrator (who also would serve as a Commerce undersecretary); those continuing functions would include advocacy, procurement, the Small Business Innovation and Research Program and limited management assistance activities. This budget plan proposes the elimination of all SBA credit programs, and the transfer of the Agency's loan portfolio to the Department of the Treasury for its sale and liquidation. Finally, the budget proposes to consolidate SBA's minority business assistance programs into the Commerce Department's Minority Business Development Agency (MBDA).

This submission includes the FY 1986 and FY 1987 effects of the Gramm-Rudman-Hollings bill. These additional reductions are being taken in order to aid in the controlling of the burdensome Federal budget deficit. This proposed budget submission details the following Administration strategies.

AGENCY TRANSFER

It is proposed that the Agency be transferred to the Department of Commerce, effective October 1, 1986. Retained activities at DOC include; the break-out procurement program, Certificates of Competency program and central procurement policy development, goal setting, and coordinating activities of the Procurement and Technical Assistance activity; the Office of Advocacy to be merged with the National Small Business Advisory Council program; the section 8(a) program resources of the Minority Small Business/Capital Ownership Development activity; the Service Corps of Retired Executives/Active Corps of Executives program, and resources within the Business Development activity; the Innovation, Research and Technology activity; the National Advisory Councils function of the Special Programs activity; that portion of the Hearings and Appeals activity pertaining to size determinations; and the Size Standards Staff of the Executive Direction and Field Administration activity. The following is to be transferred to Treasury: that portion of the Executive Direction and Field Administration activity, General Counsel activity, Management and Administration activities, Information Resources Management activity and Finance and Investment activity that are directly related to supporting the business and disaster loan portfolios and programs.

Central procurement policy development, goal setting, Certificates of Competency program and coordinating activities will be transferred to the Department of Commerce along with the Break-Out Procurement function. It is proposed that the monitoring of small business set-asides, in order to achieve established goals, would be the responsibility of each Small and Disadvantaged Business Utilization Specialist assigned to each procuring agency. This will eliminate duplication between the PCRs & SADBUS.

The Office of Advocacy will continue to provide a strong voice for small business. Federal policies must be influenced in order to assure maximum opportunity for small business formation, growth and survival. Since the Office of Advocacy is the cornerstone of this influencing mechanism, it will remain an integral part of the Administration's proposed reorganization. Therefore, it is proposed that this function in its entirety be transferred to the Department of Commerce, and merged with the National Small Business Advisory Council program.

The maintenance of the section 8(a) program within the Minority Small Business/Capital Ownership Development activity will ensure that small, minority-owned businesses will have access to the Federal procurement system. This function will be transferred to the Department of Commerce, and consolidated with MBDA.

Those management assistance positions within Business Development supporting the SCORE/ACE activities will be maintained. Ten (10) positions would be transferred to the Department of Commerce to carry on the SCORE/ACE program. The remaining positions in Business Development would be eliminated using appropriate mechanisms between October 1, 1986 and December 31, 1986.

The Small Business Innovation and Research (SBIR) program, recently implemented, has been a major success. This program has greatly enhanced the Federal Government's reputation as a leader in assisting the nation's small high technology businesses. It will be transferred, intact, to the Department of Commerce.

The Portfolio Management function would be transferred to the Department of the Treasury effective October 1, 1986, to carry out the collection and liquidation of the existing loan portfolio. Since the budget submission proposes the total elimination of all new direct and guaranty loan approvals, the need for personnel maintaining this function would decrease as the existing portfolio is serviced and liquidated. Therefore, subsequent submissions will reflect the continuing reduction of this function even after its transfer to the Department of Treasury. It is anticipated the Agency's portfolio, after its transfer to the Department of Treasury, could be sold in a timeframe of about four years; at this point, all servicing functions would be eliminated which would further reduce outlays related to servicing efforts.

In order to support administrative activities related to these functions, positions related to administrative support will be transferred simultaneously with the above functions. The impact of these changes on the Agency's revolving funds and salaries and expenses fund are explained throughout this Budget submission.

ELIMINATED ACTIVITIES

The remaining portion of the Agency not referred to in the above categories would be eliminated by appropriate means consistent with the overall Administration's policy of limiting the size and cost of Government. This includes the termination of financial and disaster assistance programs, except the portfolio management function being transferred to the Department of Treasury. The private sector, specifically the banking and insurance communities, are able to provide the necessary assistance in terms of debt and equity financing along with indemnity programs to insure against losses resulting from natural disasters. Additionally, the remaining portion of Business Development will be terminated because the private sector can provide the necessary counseling and training without the taxpayer bearing the cost of those programs. Furthermore, all support functions not related to transferred activities will be eliminated in an effort to limit the cost of government.

It is anticipated that the elimination of these remaining functions and positions will be effected by December 31, 1986. Therefore, this budget submission requests funds for salaries and expenses to accomplish this purpose.

SMALL BUSINESS ADMINISTRATION

General Statement - 1987

Salaries and Expenses

This budget request is for $212,300,000 in direct appropriations for the salaries and expenses of the Small Business Administration in FY 1987. Included in this amount is $10,300,000 for disaster assistance activities. Outlays associated with this request are estimated at $253,522,000.

This request proposes the elimination of some activities of the agency and the transfer of the remaining functions to the Department of the Treasury and the Department of Commerce. The above request represents the total direct appropriation needed to phase-out the activities to be terminated, as well as fund the remaining functions. Of this amount, $38,916,000 will be requested within the Department of Commerce's budget, and $78,022,000 will be requested within the Department of the Treasury's budget, including $7,000,000 for disaster servicing functions. The remaining $95,362,000 will be necessary to fund first quarter activities to properly phase-out operations.

Full-time Permanent Positions

This budget request is for 2,965.7 full-time equivalents (FTE's). Of this amount, 595.0 FTE's will be requested within the Department of Commerce's budget, and 1,664.0 will be requested within the Department of the Treasury's budget, including 300.0 FTE's for disaster servicing. The remaining 706.7 FTE's will be required to properly phase-out operations by the end of the first quarter of FY 1987.

White House Conference

There is no appropriation request for this activity in FY 1987. However, it is expected that $686,000 in outlays will occur in the first quarter of FY 1987.

Business Loan and Investment Fund

This budget request is for a direct appropriation of $2,521,896,000 for the Business Loan and Investment Fund. Outlays associated with this request are estimated at $2,596,371,000. This request provides for the continuing expenses related to maintaining the agency's portfolio, as well as anticipated disbursements to honor prior commitments under the direct and guaranty loan programs.

Included in this request is $2,314,596,000 in appropriations and outlays to enable the SBA to repurchase the "503" and "SBIC" portfolio from the Federal Financing Bank. This procedure is required if the SBA is to sell this portfolio to the public.

This request proposes the elimination of all new direct and guaranty loan approvals, except direct loans resulting from the purchase of guaranty loans. It also proposes that the Portfolio Management function be transferred to the Department of the Treasury for liquidation of the existing portfolio, and transformation of the fund from a revolving fund to an annual fund, with receipts being deposited in a Treasury receipt account. A separate and distinct direct appropriation relating to these specific proposals will be included in the budget of the Department of the Treasury.

Disaster Loan Fund

This budget does not include a request for a direct appropriation for the Disaster Loan Fund. The unobligated balance carried forward from FY 1986, as well as anticipated receipts in FY 1987, will be sufficient to finance FY 1987 activity. In FY 1986, $1.2 billion in excess unobligated balances was transferred.

In addition, there will be no positive outlays associated with this request, due to funds receipts exceeding disbursements. This request provides for the continuing expenses related to maintaining the agency's portfolio, as well as anticipated disbursements to honor prior direct loan commitments.

This request proposes the elimination of all new direct loan approvals. It also proposes that the Portfolio Management function be transferred to the Department of the Treasury for liquidation of the existing portfolio, and transformation of the fund from a revolving fund to an annual fund, with receipts being deposited in a Treasury receipt account. A separate and distinct direct appropriation relating to these specific proposals will be included in the budget of the Department of the Treasury.

Surety Bond Guarantees Revolving Fund

This budget request is for $17,425,000 in direct appropriations for the Surety Bond Guarantees Fund. Outlays associated with this request are estimated at $20,425,000. This request will provide for the continuing expenses of the fund, including the payment of claims resulting from defaulted bonds guaranteed in prior years.

This request proposes the elimination of all new bond guarantees. It also proposes that the Portfolio Management function be transferred to the Department of the Treasury, and transformed from a revolving fund to an annual fund, with all receipts being deposited in a Treasury receipt account. A separate and distinct direct appropriation relating to these specific proposals will be included in the budget of the Department of the Treasury.

Lease Guarantee Revolving Fund

This budget requests no direct appropriation for the Lease Guarantee Fund, due to the unobligated balance carried forward from FY 1986. Outlays are estimated at $800,000. This program has not incurred any new guarantee commitments since 1976, but has continuing expenses, including rental payments on defaulted leases guaranteed in pre-1976 years.

This request proposes the transfer of this function to the Department of the Treasury, and the transformation of this fund from a revolving fund to an annual fund, with all receipts deposited in a Treasury receipt account. A separate and distinct direct appropriation relating to these specific proposals will be included in the budget of the Department of the Treasury.

Pollution Control Equipment Contract Guarantees Revolving Fund

We are requesting an appropriation of $21,000,000 for the Pollution Control Guarantees Fund, due to the dramatic reduction in unobligated balance carried forward from prior years. Outlays for this request are estimated at $15,000,000. This request provides for the continuing expenses of the fund, including the payment of claims resulting from defaulted bonds guaranteed in prior years, which have escalated, without precedence, over the past few years.

This request proposes the elimination of all new bond guarantees. It also proposes that the Portfolio Management function be transferred to the Department of the Treasury, and transformed from a revolving fund to an annual fund, with all receipts deposited in a Treasury receipt account. A separate and distinct direct appropriation relating to these specific proposals will be included in the budget of the Department of the Treasury.

Federal Financing Bank Transactions

Pursuant with P.L. 99-177 beginning with the FY 1987 budget request, the SBA must bring on-budget those accounts that were previously off-budget. The accounts in question include the "Development Company direct loans" at the FFB, the "503 Development Company loans" at the FFB, and the "Small Business Investment Company loans" at the FFB.

The transactions as they relate to these programs are considered direct costs of the FFB, and are therefore now considered direct costs of the SBA. For these accounts we are requesting a direct appropriation of $300,000,000 and expect outlays of -$1,998,846,000, which includes the receipt of $2,314,596,000 from the Business Loan and Investment Fund. This request provides for the anticipated disbursements to honor prior commitments under the "503 Development Company program.

This request proposes the elimination of all new loan approvals. It proposes the sale of the "503 Development Company" and "Small Business Investment Company" portfolios to the SBA for transfer to the Department of the Treasury and their eventual sale to the public. These funds currently operate as annual funds with receipts deposited in Treasury receipt accounts. A separate and distinct appropriation relating to these specific proposals will be included in the budget of the Department of the Treasury.

NOTE: The above appropriation and outlay requests include the effects of the Gramm-Rudman-Hollings reductions taken in FY 1986. In several funds, these FY 1986 reductions translate to appropriation and/or outlay reductions in FY 1987 as well.

SMALL BUSINESS ADMINISTRATION
FY 1987 Congressional Budget Submission
Program Levels
($ in millions)

	FY 1985 Actual		FY 1986				FY 1987	
			Appropriated		G-R-H Adjusted		Request 3/	
	Number	SBA's Share	Number	SBA's Share	Number	SBA's Share	Number	SBA's Share
General Business	16,720	$2,392.6	17,650	$2,650.0	16,900	$2,536.1	-	-
Direct & IP	1,298	77.4	-	-	-	-	-	-
Guaranteed	15,422	2,315.2	17,650	2,650.0	16,900	2,536.1	-	-
Handicapped	253	24.4	190	20.0	180	19.2	-	-
Direct & IP	248	23.6	160	15.0	150	14.4	-	-
Guaranteed	5	.8	30	5.0	30	4.8	-	-
Economic Opportunity	758	57.9	1,140	85.0	1,090	81.4	-	-
Direct & IP	328	15.4	530	25.0	510	24.0	-	-
Guaranteed	430	42.5	610	60.0	580	57.4	-	-
Energy	4	.9	55	15.0	50	14.4	-	-
Direct & IP	1	.1	-	-	-	-	-	-
Guaranteed	3	.8	55	15.0	50	14.4	-	-
Veteran's	144	8.6	335	20.0	320	19.1	-	-
Direct & IP	144	8.6	335	20.0	320	19.1	-	-
Development Company	1,434	311.8	1,860	400.0	1,775	382.8	-	-
Direct & IP	2	4.0	-	-	-	-	-	-
Guaranteed	1,432	307.8	1,860	400.0	1,775	382.8	-	-
Investment Company	225	309.1	210	291.0	200	278.4	-	-
MESBIC	65	44.2	60	41.0	55	39.2	-	-
SBIC	160	264.9	150	250.0	145	239.2	-	-
Total Business Loans	19,538	3,105.3	21,440	3,481.0	20,515	3,331.4	-	-
Direct & IP	2,086	173.3	1,085	101.0	1,035	96.7	-	-
Guaranteed	17,452	2,932.0	20,355	3,380.0	19,480	3,234.7	-	-
Total Disaster Loans	7,789	318.3	14,600	600.0 1/	13,960	574.2	-	-
Physical	7,358	267.6	13,750	500.0	13,150	478.5	-	-
Non-Physical	431	50.7	850	100.0	810	95.7	-	-
Surety Bonds Guaranteed	10,778	959.1	12,530	1,115.0	12,000	1,067.1	-	-
Pollution Bonds Guar.	5	7.4	35	50.0 2/	30	47.8	-	-

1/ Amounts provided in P.L. 98-270
2/ Conferees recommended a program level of $75 million.
3/ This budget submission proposes the elimination of all of SBA's lending programs.

SMALL BUSINESS ADMINISTRATION
Outlays and Budget Authority by Fund
($ in Thousands)

Outlays by Fund

		FY 1986			FY 1987		
	FY 1985 Actual	Appropriated	G-R-H Reductions	G-R-H Adjusted	Request	G-R-H Reductions	G-R-H Adjusted Req.
Salaries and Expenses	$ 266,969	$298,800	$ -6,505	$292,295	$ 255,995	$-2,473	$ 253,522
White House Conference	593	3,400	-95	3,305	707	-21	686
Bus. Loan & Invest.	274,599	421,000	-3,440	417,560	2,629,005	-32,634	2,596,371
Disaster Loans	-273,070	-146,000	-12,470	-158,470	-171,296	-10,750	-182,046
Surety Bond Guarantees	7,303	10,000	-	10,000	21,000	-575	20,425
Pollution Bond Guar.	5,584	14,000	-	14,000	15,000	-	15,000
Lease Guarantees	738	800	-	800	800	-	800
Subtotal	282,716	602,000	-22,510	579,490	2,751,211	-46,453	2,704,758
Federal Financing Bank	397,563	370,000	-10,750	359,250	-2,009,596	10,750	-1,998,846
Total Agency	680,279	972,000	-33,260	938,740	741,615	-35,703	705,912

Budget Authority by Fund

		FY 1986			FY 1987		
	FY 1985 Actual	Appropriated	G-R-H Reductions	G-R-H Adjusted	Request	G-R-H Reductions	G-R-H Adjusted Req.
Salaries and Expenses	$ 206,239	$208,800	$ -8,978	$199,822	$ 212,300	$ -	$ 212,300
White House Conference	2,000	2,700	-116	2,584	-	-	-
Bus. Loan & Invest.	511,601	167,000	-5,074	161,926	2,552,896	-31,000	2,521,896
Surety Bond Guarantees	8,910	7,000	-	7,000	18,000	-575	17,425
Pollution Bond Guar.	-	-	-	-	21,000	-	21,000
Subtotal	728,750	385,500	-14,168	371,332	2,804,196	-31,575	2,772,621
Federal Financing Bank	524,960	525,000	-10,750	514,250	315,000	-15,000	300,000
Total Agency	1,253,710	910,500	-24,918	885,582	3,119,196	-46,575	3,072,621

SMALL BUSINESS ADMINISTRATION
SALARIES AND EXPENSES
ANALYSIS BY ACTIVITY
($ in Thousands)

	FY 1985	FY 1986			FY 1987			
	Actual	Appropriated	G-R-H Reductions	G-R-H Adjusted	SBA	Commerce	Treasury	Total
Finance and Investment	$ 53,952	$ 57,032	$-1,623	$ 55,409	$22,086	$ -	$35,332	$ 57,418
Procurement Assistance	10,238	13,884	-596	13,288	1,697	12,015	-	13,712
Minority Small Business/COD	23,265	22,674	-976	21,698	2,276	10,186	-	12,462
Innovation, Research & Tech.	680	1,128	-48	1,080	-	1,143	-	1,143
Business Development	48,373	57,180	-2,459	54,721	13,075	3,248	-	16,323
Special Programs	1,465	1,531	-65	1,466	1,033	200	-	1,233
Advocacy	5,701	5,101	-219	4,882	-	5,128	-	5,128
Management and Administration	46,329	46,432	-1,256	45,176	16,873	6,070	17,827	40,770
Information Resources Mgmt.	12,387	12,042	-294	11,748	1,330	-	9,033	10,363
General Counsel	13,696	13,149	-312	12,837	7,983	-	4,128	12,111
Inspector General	5,823	6,002	-172	5,830	4,982	-	-	4,982
Hearings and Appeals	871	1,020	-35	985	398	546	-	944
Cong. & Legislative Affairs	494	561	-21	540	489	-	-	489
Exec. Direction & Field Adm.	34,122	31,064	-902	30,162	19,840	380	4,702	24,922
Subtotal	257,396	268,800	-8,978	259,822	92,062	38,916	71,022	202,000
Disaster Assistance	19,363	30,000	-	30,000	3,300	-	7,000	10,300
Total	$276,759	$298,800	$-8,978	$289,822	$95,362	$38,916	$78,022	$212,300

1/ The amount appropriated has been adjusted to reflect current compensation costs in accordance with approved FTE levels contained in the conference report accompanying the FY 1986 appropriation.

STANDARD FORM 306
July 1968, Bureau of the Budget
Circular No. A-11, Revised.
306-103

SMALL BUSINESS ADMINISTRATION

DETAIL OF PERMANENT POSITIONS

	1985 actual	1986 estimate	1987 estimate
Executive Level III	1	1	1
Executive Level IV	1	1	1
Executive Level V	1	1	1
Subtotal	3	3	3
ES-6	3	3	3
ES-5	7	7	7
ES-4	28	28	28
ES-3	2	2	2
ES-2	6	6	6
ES-1	5	5	5
Subtotal	51	51	51
GS/GM-15	180	178	178
GS/GM-14	223	220	220
GS/GM-13	597	590	590
GS-12	1,137	1,114	1,114
GS-11	304	300	300
GS-10	6	6	6
GS-9	166	160	160
GS-8	49	49	49
GS-7	391	386	386
GS-6	251	247	247
GS-5	352	341	341
GS-4	261	256	256

STANDARD FORM 306
July 1968, Bureau of the Budget
Circular No. A-11, Revised.
306-103

SMALL BUSINESS ADMINISTRATION

DETAIL OF PERMANENT POSITIONS

	1985 actual	1986 estimate	1987 estimate
GS-3	71	70	70
GS-2	4	4	4
GS-1	-	-	-
Subtotal	3,992	3,921	3,921
Ungraded	13	13	13
Total permanent positions	4,059	3,988	3,988
Unfilled positions end of year	287	-	-
Total permanent employment, end of year	3,772	3,988	3,988

13

(Mono cast: 16.3) (Mono cast: 4.9) (Mono cast: 4.9) (Mono cast: 4)

STANDARD FORM 306
July 1958, Bureau of the Budget
Circular No. A-11, Revised.
306-103

SMALL BUSINESS ADMINISTRATION

DETAIL OF PERMANENT POSITIONS

	1985 actual	1986 estimate	1987 estimate
Executive Level III:			
Administrator	1	1	1
Executive Level IV:			
Chief Counsel for Advocacy	1	1	1
Executive Level V:			
Inspector General	1	1	1
ES-6:			
Deputy Administrator	1	1	1
Associate Deputy Administrators	2	2	2
ES-5:			
Associate Administrators	3	3	3
Comptroller	1	1	1
General Counsel	1	1	1
Regional Administrators	2	2	2
ES-4:			
Assistant Administrator	1	1	1
Deputy Associate Administrators	7	7	7
Associate General Counsel	1	1	1
Assistant Deputy Associate Administrator	1	1	1
Assistant Inspector General	1	1	1
Office Directors	5	5	5
Regional Administrators	8	8	8
District Directors	2	2	2
Deputy Regional Administrators	2	2	2

14

(Mono cast: 16.3) (Mono cast: 4.9) (Mono cast: 4.9) (Mono cast: 4)

STANDARD FORM 306
July 1958, Bureau of the Budget
Circular No. A-11, Revised.
306-103

SMALL BUSINESS ADMINISTRATION

DETAIL OF PERMANENT POSITIONS

	1985 actual	1986 estimate	1987 estimate
ES-3:			
Deputy General Counsel....................	1	1	1
District Director.........................	1	1	1
ES-2			
Assistant Administrator..................	1	1	1
Associate General Counsel................	1	1	1
Counsel to the Inspector General.........	1	1	1
Office Director..........................	1	1	1
Chief of Staff...........................	1	1	1
District Director........................	1	1	1
ES-1:			
Associate Administrator..................	1	1	1
Assistant Administrator..................	1	1	1
Deputy Associate Administrator...........	1	1	1
Assistant Inspector General..............	1	1	1
District Director........................	1	1	1
			15
(Mono cast: 16.3)	(Mono cast: 4.9)	(Mono cast: 4.9)	(Mono cast: 4)

GPO : 1969 O - 353-453

SMALL BUSINESS ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the Small Business Administration, including hire of passenger motor vehicles and not to exceed $2,500 for official reception and representation expenses, $212,300,000 [$173,800,000; and for grants for Small Business Development Centers as authorized by section 21(a) of the Small Business Act, as amended, $35,000,000. In addition $80,000,000 for disaster loan making activities, including loan servicing, shall be transferred to this appropriation from the "Disaster Loan Fund"]

(72 Stat. 384, as amended; 72 Stat. 689, as amended; 98 Stat. 1553; the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriation Act, 1986.)

[Sec. 113. Notwithstanding any other provision of this joint resolution, an additional $10,000,000 shall be transferred from the "Small Business Administration, Disaster Loan Fund" to "Small Business Administration, Salaries and expenses" for disaster loan making activities, including loan servicing.]

(Public Law 99-190, making continuing appropriations for the fiscal year 1986.)

STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised
300-101

SMALL BUSINESS ADMINISTRATION
SALARIES AND EXPENSES
Program and Financing (in thousands of dollars)

Identification code 73-0100-0-1-376	1985 actual	1986 estimate	1987 estimate
Program by activities:			
Direct program			
1. Finance and Investment.........	53,852	57,032	57,418
2. Disaster Assistance............	19,363	30,000	10,300
3. Procurement Assistance.........	10,238	13,884	13,712
4. Minority Small Business and Capital Ownership Development..	12,723	12,674	12,462
(a) Economic Opportunity Assistance................	9,292	10,000	-
5. Innov., Res., and Tech.........	680	1,128	1,143
6. Business Development...........	48,373	57,180	16,323
7. Special Programs...............	1,465	1,531	1,233
8. Advocacy.......................	5,701	5,101	5,128
9. Management and Administration..	46,329	46,432	40,770
10. Information Resources Mgmt.....	12,387	12,042	10,363
11. General Counsel................	13,696	13,149	12,111
12. Inspector General..............	5,823	6,002	4,982
13. Hearings and Appeals...........	871	1,020	944
14. Cong. and Legislative Affairs..	494	561	489
15. Exec. Direction and Field Admin.	34,122	31,064	24,922
Total, direct program......	275,409	298,800	212,300
Reimbursable program			
(a) Finance and Investment........	100	100	100
(b) Economic Opportunity Assistance	1,250	1,250	-
Total, reimbursable program.	1,350	1,350	100
10.00 Total obligations............	276,759	300,150	212,400
(Mono cast 21.5)	(Mono cast 5)	(Mono cast 5)	(Mono cast 4.9)

STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised.
300-101

SMALL BUSINESS ADMINISTRATION
SALARIES AND EXPENSES
Program and Financing (in thousands of dollars) - Continued

Identification code 73-0100-0-1-376	1985 actual	1986 estimate	1987 estimate
Financing:			
Offsetting collections from:			
11.00 Federal funds...............	-1,350	-1,350	-100
14.00 Non-Federal sources.........	-5	------	------
22.40 Unobligated balance transferred from other accounts..	-72,400	-90,000	------
25.00 Unobligated balance lapsing.	3,235	------	------
39.00 Budget Authority............	206,239	208,800	212,300
Budget authority:			
40.00 Appropriation...............	233,840	208,800	212,300
41.00 Transferred to other accounts	-27,601	------	------
43.00 Appropriation (adjusted)	206,239	208,800	212,300
Relation of obligations to outlays:			
71.00 Obligations incurred, net..	275,404	298,800	212,300
72.40 Obligated balance, start of year....................	52,780	57,522	57,522
73.40 Obligated balance transferred, net................	-129	------	------
74.40 Obligated balance, end of year......................	-57,522	-57,522	-13,827
77.00 Adjustment in expired accounts..................	-3,564	------	------
90.00 Outlays, excluding pay raise supplemental..............	266,969	298,800	255,995

(Mono cast: 21.5) (Mono cast: 5) (Mono cast: 5) (Mono cast: 4.0)

1/ Amounts shown are net of G-R-H adjustments!

STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised.
300-101

SMALL BUSINESS ADMINISTRATION
SALARIES AND EXPENSES
Object Classification (in thousands of dollars)

Identification code 73-0100-0-1-376	1985 actual	1986 estimate	1987 estimate
Personnel Compensation:			
11.1 Permanent positions..........	125,803	127,672	77,169
11.3 Positions other than permanent....................	19,361	6,657	4,722
11.5 Other personnel compensation.	4,266	3,798	2,830
Total personnel compensation.	149,430	138,127	84,721
Direct obligations: Personnel compensation.......	149,348	138,045	84,639
12.1 Personnel benefits: Civilian.....................	18,907	17,746	10,480
13.0 Benefits for former personnel	350	------	55,881
21.0 Travel & transportation of persons......................	7,755	6,440	4,975
22.0 Transportation of things.....	339	432	264
23.1 Standard level user charges..	16,889	17,200	15,257
23.2 Rental Payments to others....	8,738	7,733	5,556
23.3 Communications utilities, and miscellaneous charges........	11,507	12,985	10,415
24.0 Printing and reproduction....	1,534	1,727	936
25.0 Other services...............	47,133	64,295	12,440
26.0 Supplies and materials.......	1,983	1,598	835
31.0 Equipment....................	2,523	599	322
41.0 Grants, subsidies and contributions................	8,390	------	------
42.0 Insurance claims and indemnities	2	------	------
43.0 Interest and dividends.......	11	------	------
92.0 Undistributed (Disaster asst.)	------	30,000	10,300
99.0 Total direct obligations.....	275,409	298,800	212,300

STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised.
300-101

SMALL BUSINESS ADMINISTRATION
SALARIES AND EXPENSES
Object Classification (in thousands of dollars) - Continued

Identification code 73-0100-0-1-376	1985 actual	1986 estimate	1987 estimate
Reimbursable obligations:			
11.1 Personnel compensation........	82	82	82
12.1 Personnel benefits: Civilian.....................	8	8	8
21.0 Travel & transportation of persons..................	------	------	------
22.0 Transportation of things......	------	------	------
23.2 Communications, utilities, and other rents...............	------	------	------
24.0 Printing and reproduction.....	------	------	------
25.0 Other services................	1,260	1,260	10
26.0 Supplies and materials........	------	------	------
31.0 Equipment.....................	------	------	------
99.0 Total reimbursable obligations..................	1,350	1,350	100
99.9 Total obligations.............	276,759	300,150	212,400

(Mono cast: 21.6) (Mono cast: 5) (Mono cast: 5) (Mono cast: 4.9)

STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised
300-101

SMALL BUSINESS ADMINISTRATION
SALARIES AND EXPENSES
Personnel Summary

Identification code 73-0100-0-1-376	19 85 actual	19 86 estimate	19 87 estimate
Total number of permanent positions.	4,059	3,988	3,988
Total compensable work-years:			
Full-time equivalent employment..	4,882	5,298 1/	2,972 1/
Full-time equivalent of overtime and holiday hours................	52	28	18
Average ES salary....................	$65,535	$64,636	$64,636
Average GS grade.....................	9.97	9.97	9.97
Average GS salary....................	$32,496	$32,371	$32,695
Average salary of ungraded positions	$22,188	$22,188	$22,188

---

1 The personnel summary includes 1079 and 438 Full Time equivalent positions (FTE's) in 1986 and 1987 above the assigned FTE ceilings for purposes of disaster assistance, and summer and disadvantaged youth employment.

GPO 1984—O-737-489

(Mono cast 21.5) (Mono cast 5) (Mono cast 5) (Mono cast 4.9)

STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised
300-101

SMALL BUSINESS ADMINISTRATION
SALARIES AND EXPENSES
Gramm-Rudman-Hollings Adjustments
Program and Financing (in thousands of dollars)

Identification code 73-0100-6-1-376	19 actual	19 estimate	19 estimate
Program by activities:			
Direct program			
1. Finance and Investment.........	-	-1,623	-
2. Disaster Assistance...........	-	-	-
3. Procurement Assistance.........	-	-596	-
4. Minority Small Business and Capital Ownership Development..	-	-546	-
(a) Economic Opportunity Assistance...............	-	-430	-
5. Innov., Res., and Tech.........	-	-48	-
6. Business Development...........	-	-2,459	-
7. Special Programs...............	-	-65	-
8. Advocacy	-	-219	-
9. Management and Administration..	-	-1,256	-
10. Information Resources Mgmt.....	-	-294	-
11. General Counsel...............	-	-312	-
12. Inspector General.............	-	-172	-
13. Hearings and Appeals...........	-	-35	-
14. Cong. and Legislative Affairs..	-	-21	-
15. Exec. Direction and Field Admin.	-	-902	-
Total, direct program........	-	-8,978	-
Reimbursable program			
(a) Finance and Investment........	-	-	-
(b) Economic Opportunity Assistance	-	-	-
Total, reimbursable program.	-	-	-
10.00 Total obligations............	-	-8,978	-

(Mono cast: 21.5) (Mono cast: 5) (Mono cast: 5) (Mono cast: 4.9)

SMALL BUSINESS ADMINISTRATION
FULL-TIME EQUIVALENTS
ANALYSIS BY ACTIVITY

	FY 1985 Actual	FY 1986			FY 1987			
		Appropriated	G-R-H Reductions	G-R-H Adjusted	SBA	Commerce	Treasury	Total
Finance and Investment	1,458.3	1,578.1	-44.9	1,533.2	164.7	-	929.0	1,093.7
Procurement Assistance	186.0	266.0	-11.4	254.6	10.2	226.0	-	236.2
Minority Small Business/COD	316.4	319.6	-13.7	305.9	16.4	255.0	-	271.4
Innovation, Research & Tech.	8.4	8.8	-.4	8.4	-	9.0	-	9.0
Business Development	376.6	367.3	-15.8	351.5	90.7	10.0	-	100.7
Special Programs	25.7	25.7	-1.1	24.6	5.8	3.0	-	8.8
Advocacy	79.8	58.1	-2.5	55.6	-	58.0	-	58.0
Management and Administration	368.0	348.2	-9.4	338.8	50.8	17.0	135.0	202.8
Information Resources Mgmt.	92.0	80.8	-2.0	78.8	5.3	-	60.0	65.3
General Counsel	340.0	321.5	-7.6	313.9	56.2	-	100.0	156.2
Inspector General	133.9	122.1	-3.5	118.6	31.0	-	-	31.0
Hearings and Appeals	20.0	20.7	-.7	20.0	2.5	11.0	-	13.5
Cong. & Legislative Affairs	11.9	12.0	-.5	11.5	3.0	-	-	3.0
Exec. Direction & Field Adm.	760.4	690.0	-20.0	670.0	138.1	6.0	140.0	284.1
Subtotal	4,177.4	4,218.9	-133.5	4,085.4	574.7	595.0	1,364.0	2,533.7
Disastance Assistance	680.1	1,053.7	-	1,053.7	132.0	-	300.0	432.0
Total	4,857.5	5,272.6	-133.5	5,139.1	706.7	595.0	1,664.0	2,965.7

STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised
300-101

SMALL BUSINESS ADMINISTRATION
SALARIES AND EXPENSES
Gramm-Rudman-Hollings Adjustments
Program and Financing (in thousands of dollars) - Continued

Identification code 73-0100-6-1-376	19 85 actual	19 86 estimate	19 87 estimate
Financing: Offsetting collections from:			
11.00 Federal funds...............	-	-	-
14.00 Non-Federal sources.........	-	-	-
22.40 Unobligated balance transferred from other accounts..	-	-	-
25.00 Unobligated balance lapsing.	-	-	-
39.00 Budget Authority............	-	-8,978	-
Budget Authority			
40.00 Appropriation...............	-	-8,978	-
41.00 Transferred to other accounts	-	-	-
43.00 Appropriation (adjusted)	-	-8,978	-
Relation of obligations to outlays:			
71.00 Obligations incurred, net..	-	-8,978	-
72.40 Obligated balance, start of year.....................	-	-	-2,473
73.40 Obligated balance transferred, net................	-	-	-
74.40 Obligated balance, end of year........................	-	2,473	-
77.00 Adjustment in expired accounts....................	-	-	-
90.00 Outlays, excluding pay raise supplemental...............	-	-6,505	-2,473
(Memo cmt: [illegible])	(Memo cmt: [illegible])	(Memo cmt: [illegible])	(Memo cmt: [illegible])

STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised
300-101

SMALL BUSINESS ADMINISTRATION
SALARIES AND EXPENSES
Gramm-Rudman-Hollings Adjustments

Object Classification (in thousands of dollars) - Continued

Identification code 73-0100-6-1-376	1985 actual	1986 estimate	1987 estimate
Personnel Compensation:			
11.1 Permanent positions..........	-	-4,086	-
11.3 Positions other than permanent....................	-	-213	-
11.5 Other personnel compensation.	-	-122	-
Total personnel compensation.	-	-4,421	-
Direct obligations:			
Personnel compensation.......	-	-4,421	-
12.1 Personnel benefits: Civilian......................	-	-561	-
13.0 Benefits for former personnel	-	-	-
21.0 Travel & transportation of persons......................	-	-224	-
22.0 Transportation of things.....	-	-12	-
23.1 Standard level user charges..	-	-464	-
23.2 Rental Payments to others....	-	-181	-
23.3 Communications utilities, and miscellaneous charges........	-	-379	-
24.0 Printing and reproduction....	-	-60	-
25.0 Other services...............	-	-2,611	-
26.0 Supplies and materials.......	-	-46	-
31.0 Equipment....................	-	-19	-
41.0 Grants, subsidies and contributions................	-	-	-
42.0 Insurance claims and indemnities..................	-	-	-
43.0 Interest and dividends.......	-	-	-
92.0 Undistributed (Disaster asst.)	-	-	-
99.0 Total direct obligations.....	-	-8,978	-

STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised.
300-101

SMALL BUSINESS ADMINISTRATION
WHITE HOUSE CONFERENCE ON SMALL BUSINESS
Program and Financing (in thousands of dollars)

Identification code 73-0104-0-1-376	19 85 actual	19 86 estimate	19 87 estimate
Program by activities:			
Direct Program			
10.00 Total Obligations............	1,044	3,480	176
Financing:			
21.40 Unobligated balance available, start of year..................	-	-956	-176
24.40 Unobligated balance available, end of year....................	956	176	-
40.00 Appropriation..................	2,000	2,700	-
Relation of obligations to outlays:			
71.00 Obligations incurred, net.....	1,044	3,480	176
72.40 Obligated balance, start of year	-	451	531
74.40 Obligated balance, end of year	-451	-531	-
90.00 Outlays	593	3,400	707
(Mono cast: 21.5)	(Mono cast: 8)	(Mono cast: 8)	(Mono cast: 4.9)

STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised.
300-101

SMALL BUSINESS ADMINISTRATION
WHITE HOUSE CONFERENCE ON SMALL BUSINESS
Gramm-Rudman-Hollings Adjustments
Program and Financing (in thousands of dollars)

Identification code 73-0104-6-1-376	1985 actual	1986 estimate	1987 estimate
Program by activities:			
Direct Program			
10.00 Total Obligations.............	-	-116	-
Financing:			
21.40 Unobligated balance available, start of year.................	-	-	-
24.40 Unobligated balance available, end of year....................	-	-	-
40.00 Appropriation	-	-116	-
Relation of obligations to outlays:			
71.00 Obligations incurred, net.....	-	-116	-
72.40 Obligated balance, start of year........................	-	-	-21
74.40 Obligated balance, end of year........................	-	21	-
90.00 Outlays	-	-95	-21
(Mono cast: 21.5)	(Mono cast: 8)	(Mono cast: 5)	(Mono cast: 4.9)

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
AGENCYWIDE (EXCLUDING DISASTER ASSISTANCE)

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	31,168,564	29,855,000	17,480,000
Field	103,386,702	108,190,000	67,159,000
11. Total Personnel Comp.	134,555,266	138,045,000	84,639,000
Other Objects:			
12. Personnel Benefits	17,412,099	17,746,000	10,480,000
13. Benefits for Former Pers.	349,636	-	55,881,000
21. Travel & Trans. of Persons	6,182,226	6,440,000	4,975,000
22. Transportation of Things	317,782	432,000	264,000
23. Rent, Comm. & Utilities:			
Standard Level User Charges	16,888,575	17,200,000	15,257,000
Rental Payments to Others	6,236,256	6,817,000	4,812,000
Communication Services	13,269,314	13,901,000	11,159,000
24. Printing & Reproduction	1,484,209	1,727,000	936,000
25. Other Services	48,060,183	64,295,000	12,440,000
26. Supplies & Materials	1,842,977	1,598,000	835,000
31. Equipment	2,393,801	599,000	322,000
41. Grants, Subsidies & Contrib.	8,390,431	-	-
42. Ins. Claims & Indemnities	2,335	-	-
43. Interest & Dividends	10,899	-	-
Total Other Objects	122,840,723	130,755,000	117,361,000
TOTAL OBLIGATIONS	257,395,989	268,800,000	202,000,000

EMPLOYMENT DATA:	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	729	3,330	669	3,319	669	3,319
Full Time Equivalents:						
Permanent Employment	729.0	3,050.6	703.1	3,179.6	394.5	1,910.1
Temporary Employment	138.3	259.5	95.4	240.8	65.6	163.5
Total FTE's	867.3	3,310.1	798.5	3,420.4	460.1	2,073.6

POSITION DATA:			
Average Salary GS/GM Positions	32,496	32,371	32,695
Average Grade GS/GM Positions	9.97	9.97	9.97

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
AGENCYWIDE (INCLUDING DISASTER ASSISTANCE)

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	31,346,347	30,140,000	17,597,000
Field	118,083,531	130,951,000	74,955,000
11. Total Personnel Comp.	149,429,878	161,091,000	92,552,000
Other Objects:			
12. Personnel Benefits	18,915,117	20,075,000	11,279,000
13. Benefits for Former Pers.	349,636	-	55,881,000
21. Travel & Trans. of Persons	7,754,811	8,876,000	5,811,000
22. Transportation of Things	338,944	465,000	275,000
23. Rent, Comm. & Utilities:			
Standard Level User Charges	16,888,575	17,200,000	15,257,000
Rental Payments to Others	6,646,413	7,452,000	5,030,000
Communication Services	13,598,574	14,411,000	11,334,000
24. Printing & Reproduction	1,534,386	1,805,000	963,000
25. Other Services	48,393,240	64,811,000	12,617,000
26. Supplies & Materials	1,982,792	1,815,000	910,000
31. Equipment	2,523,090	799,000	391,000
41. Grants, Subsidies & Contrib.	8,390,431	-	-
42. Ins. Claims & Indemnities	2,335	-	-
43. Interest & Dividends	11,104	-	-
Total Other Objects	127,329,448	137,709,000	119,748,000
TOTAL OBLIGATIONS	276,759,326	298,800,000	212,300,000

EMPLOYMENT DATA:

	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	729	3,330	669	3,319	669	3,319
Full Time Equivalents:						
Permanent Employment	729.0	3,050.6	703.1	3,179.6	394.5	1,910.1
Temporary Employment	144.4	933.5	104.9	1,285.0	69.5	591.6
Total FTE's	873.4	3,984.1	808.0	4,464.6	464.0	2,501.7

POSITION DATA:

Average Salary GS/GM Positions	32,496	32,371	32,695
Average Grade GS/GM Positions	9.97	9.97	9.97

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
AGENCYWIDE

G-R-H REDUCTIONS

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	-	-945,000	-
Field	-	-3,476,000	-
11. Total Personnel Comp.	-	-4,421,000	-
Other Objects:			
12. Personnel Benefits	-	-561,000	-
13. Benefits for Former Pers.	-	-	-
21. Travel & Trans. of Persons	-	-224,000	-
22. Transportation of Things	-	-12,000	-
23. Rent, Comm. & Utilities:			
Standard Level User Charges	-	-464,000	-
Rental Payments to Others	-	-181,000	-
Communication Services	-	-379,000	-
24. Printing & Reproduction	-	-60,000	-
25. Other Services	-	-2,611,000	-
26. Supplies & Materials	-	-46,000	-
31. Equipment	-	-19,000	-
41. Grants, Subsidies & Contrib.	-	-	-
42. Ins. Claims & Indemnities	-	-	-
43. Interest & Dividends	-	-	-
Total Other Objects	-	-4,557,000	-
TOTAL OBLIGATIONS	-	-8,978,000	-

EMPLOYMENT DATA:

	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	-	-	-	-	-	-
Full Time Equivalents:						
Permanent Employment	-	-	-21.6	-101.5	-	-
Temporary Employment	-	-	-3.3	-7.1	-	-
Total FTE's	-	-	-24.9	-108.6	-	-

POSITION DATA:

Average Salary GS/GM Positions	-	-	-
Average Grade GS/GM Positions	-	-	-

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
AGENCYWIDE

TRANSFER TO THE DEPARTMENT OF THE TREASURY

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	-	-	-6,504,000
Field	-	-	-41,873,000
11. Total Personnel Comp.	-	-	-48,377,000
Other Objects:			
12. Personnel Benefits	-	-	-5,052,000
13. Benefits for Former Pers.	-	-	-
21. Travel & Trans. of Persons	-	-	-1,349,000
22. Transportation of Things	-	-	-170,000
23. Rent, Comm. & Utilities:	-	-	-16,064,000
Standard Level User Charges	-	-	-
Rental Payments to Others	-	-	-
Communication Services	-	-	-
24. Printing & Reproduction	-	-	-350,000
25. Other Services	-	-	-6,047,000
26. Supplies & Materials	-	-	-463,000
31. Equipment	-	-	-150,000
41. Grants, Subsidies & Contrib.	-	-	-
42. Ins. Claims & Indemnities	-	-	-
43. Interest & Dividends	-	-	-
Total Other Objects	-	-	-29,645,000
TOTAL OBLIGATIONS	-	-	-78,022,000

EMPLOYMENT DATA:

	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	-	-	-	-	-169	-1,129
Full Time Equivalents:						
Permanent Employment	-	-	-	-	-167.8	-1,047.4
Temporary Employment	-	-	-	-	-13.8	-135.0
Total FTE's	-	-	-	-	-181.6	-1,182.4

POSITION DATA:

Average Salary GS/GM Positions	-	-	-
Average Grade GS/GM Positions	-	-	-

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
AGENCYWIDE

TRANSFER TO DEPARTMENT OF COMMERCE

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	-	-	-6,527,000
Field	-	-	-15,980,000
11. Total Personnel Comp.	-	-	-22,507,000
Other Objects:			
12. Personnel Benefits	-	-	-2,458,000
13. Benefits for Former Pers.	-	-	-
21. Travel & Trans. of Persons	-	-	-3,053,000
22. Transportation of Things	-	-	-61,000
23. Rent, Comm. & Utilities:	-	-	-5,237,000
Standard Level User Charges	-	-	-
Rental Payments to Others	-	-	-
Communication Services	-	-	-
24. Printing & Reproduction	-	-	-318,000
25. Other Services	-	-	-5,068,000
26. Supplies & Materials	-	-	-127,000
31. Equipment	-	-	-87,000
41. Grants, Subsidies & Contrib.	-	-	-
42. Ins. Claims & Indemnities	-	-	-
43. Interest & Dividends	-	-	-
Total Other Objects	-	-	-16,409,000
TOTAL OBLIGATIONS	-	-	-38,916,000

EMPLOYMENT DATA:

	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	-	-	-	-	-112	-485
Full Time Equivalents:						
Permanent Employment	-	-	-	-	-121.6	-430.9
Temporary Employment	-	-	-	-	-40.2	-2.3
Total FTE's	-	-	-	-	-161.8	-433.2

POSITION DATA:

Average Salary GS/GM Positions	-	-	-
Average Grade GS/GM Positions	-	-	-

Salaries and Expenses, SBA

1. Finance and Investment

	1985	1986	1987		
			SBA	Commerce	Treasury
Amount	$53,952,399	$57,032,000	$22,086,000	-	$35,332,000
Less: G-R-H	-	-1,623,000	-	-	-
Adjusted	53,952,399	55,409,000	22,086,000	-	35,332,000
FTE's	1,458.3	1,578.1	164.7	-	929.0
Less: G-R-H	-	-44.9	-	-	-
Adjusted	1,458.3	1,533.2	164.7	-	929.0
Positions	1,463	1,459	582	-	877

Highlight

Under the Administration's proposal, all activity relating to the servicing and liquidation of the Agency's over $17 billion loan portfolio will be transferred to the Department of the Treasury. Funding for this function will be included in the budget of the Department of the Treasury. All credit activities including Direct and Guaranteed loan making, Surety Bond Guarantees and Pollution Control Guarantees would be abolished.

The Portfolio Management function would be transferred to the Department of the Treasury with the continuing responsibility to service and liquidate the loan portfolio. Additionally, $1,000,000 is requested within the Department of the Treasury budget to contract the oversight of the portfolio and the scheduled four-year sale of assets, which will further reduce outlays and related servicing efforts. The total amount proposed is 929 full-time equivalent positions, currently located in most of our 117 offices throughout the country, at an estimated cost of $35,332,000.

As a continued effort to limit the growth of Federal expenditures and curtail the dependence of the Federal Government as a supplier of credit, the proposal terminates all lending activities, including direct and guaranteed loans. Along with continued reduced interest rates and lower inflation rates, private sector sources will provide the necessary stability within the financial markets to provide the required credit assistance to the small business community. In addition, all other activities, including Surety Bond Guarantees and Pollution Control Guarantees have been eliminated. Funding is requested in the budget of the SBA for the first quarter of FY 1987, to enable these activities to properly phase-out operations. A major portion of the expense will be for terminal leave and severence pay.

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
FINANCE & INVESTMENT

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	4,139,368	4,264,000	1,551,000
Field	41,983,018	44,294,000	33,487,000
11. Total Personnel Comp.	46,122,386	48,558,000	35,038,000
Other Objects:			
12. Personnel Benefits	5,521,421	5,845,000	3,789,000
13. Benefits for Former Pers.	33,464	-	15,765,000
21. Travel & Trans. of Persons	641,966	1,202,000	836,000
22. Transportation of Things	41,787	51,000	35,000
23. Rent, Comm. & Utilities:			
Standard Level User Charges	-	-	-
Rental Payments to Others	-	-	-
Communication Services	-	-	-
24. Printing & Reproduction	114,983	222,000	154,000
25. Other Services	1,335,902	1,060,000	1,735,000
26. Supplies & Materials	24,357	54,000	38,000
31. Equipment	115,234	40,000	28,000
41. Grants, Subsidies & Contrib.	-	-	-
42. Ins. Claims & Indemnities	870	-	-
43. Interest & Dividends	29	-	-
Total Other Objects	7,830,013	8,474,000	22,380,000
TOTAL OBLIGATIONS	53,952,399	57,032,000	57,418,000

EMPLOYMENT DATA:	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	95	1,368	90	1,369	90	1,369
Full Time Equivalents:						
Permanent Employment	102.8	1,201.2	99.0	1,298.1	35.3	920.9
Temporary Employment	17.7	136.6	7.1	173.9	2.9	134.6
Total FTE's	120.5	1,337.8	106.1	1,472.0	38.2	1,055.5

POSITION DATA:			
Average Salary GS/GM Positions	32,334	30,924	31,233
Average Grade GS/GM Positions	10.3	10.1	10.1

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
FINANCE & INVESTMENT

G-R-H REDUCTIONS & TRANSFER TO TREASURY

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	-	-121,000	-625,000
Field	-	-1,260,000	-28,968,000
11. Total Personnel Comp.	-	-1,381,000	-29,593,000
Other Objects:			
12. Personnel Benefits	-	-166,000	-3,188,000
13. Benefits for Former Pers.	-	-	-
21. Travel & Trans. of Persons	-	-34,000	-709,000
22. Transportation of Things	-	-1,000	-30,000
23. Rent, Comm. & Utilities:			
Standard Level User Charges	-	-	-
Rental Payments to Others	-	-	-
Communication Services	-	-	-
24. Printing & Reproduction	-	-7,000	-131,000
25. Other Services	-	-31,000	-1,625,000
26. Supplies & Materials	-	-2,000	-32,000
31. Equipment	-	-1,000	-24,000
41. Grants, Subsidies & Contrib.	-	-	-
42. Ins. Claims & Indemnities	-	-	-
43. Interest & Dividends	-	-	-
Total Other Objects	-	-242,000	-5,739,000
TOTAL OBLIGATIONS	-	-1,623,000	-35,332,000

EMPLOYMENT DATA:

	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	-	-	-	-	-15	-862
Full Time Equivalents:	-	-	-2.8	-36.9	-13.6	-792.6
Permanent Employment	-	-	-.2	-5.0	-1.5	-121.3
Temporary Employment	-	-	-3.0	-41.9	-15.1	-913.9
Total FTE's						

POSITION DATA:

Average Salary GS/GM Positions	-	-	-
Average Grade GS/GM Positions	-	-	-

2. Disaster Assistance

			1987		
	1985	1986	SBA	Commerce	Treasury
Amount	$19,363,336	$30,000,000	$3,300,000	-	$7,000,000
Less: G-R-H	-	-	-	-	-
Adjusted	19,363,336	30,000,000	3,300,000	-	7,000,000
FTE's	680.1	1,053.7	132.0	-	300.0
Less: G-R-H	-	-	-	-	-
Adjusted	680.1	1,053.7	132.0	-	300.0
Positions	-	-	-	-	-

Highlight

Under the Administration's proposal, the Disaster loan making function of this activity would be terminated. It is felt that the private sector, specifically the banking and insurance communities, are able to provide the necessary assistance in terms of debt and equity financing along with indemnity programs to insure against losses resulting from natural disasters. Funding is requested for the first quarter of FY 1987 to finance the orderly phase-out of the DLM functions. The Disaster loan servicing function of this activity is proposed to be transferred to the Department of the Treasury.

The Disaster servicing function is comprised of a temporary workforce, strategically located, for the most part, in four servicing offices; Varick St., New York; Birmingham, Alabama; El Paso, Texas; and Santa Ana, California. These employees are responsible for the control, maintenance and general administration of a majority of the Agency's almost $5 billion disaster loan portfolio. Their primary duty is to oversee the orderly repayment of these loans, in accordance with the Agency's Debt Collection Plan, to maximize the recovery of monies owed the Federal goverment.

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
DISASTER ASSISTANCE

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	177,783	285,000	117,000
Field	14,696,829	22,761,000	7,796,000
11. Total Personnel Comp.	14,874,612	23,046,000	7,913,000
Other Objects:			
12. Personnel Benefits	1,503,018	2,329,000	799,000
13. Benefits for Former Pers.	-	-	-
21. Travel & Trans. of Persons	1,572,586	2,436,000	836,000
22. Transportation of Things	21,161	33,000	11,000
23. Rent, Comm. & Utilities:			
Standard Level User Charges	-	-	-
Rental Payments to Others	410,157	635,000	218,000
Communication Services	329,260	510,000	175,000
24. Printing & Reproduction	50,177	78,000	27,000
25. Other Services	333,057	516,000	177,000
26. Supplies & Materials	139,815	217,000	75,000
31. Equipment	129,283	200,000	69,000
41. Grants, Subsidies & Contrib.	-	-	-
42. Ins. Claims & Indemnities	-	-	-
43. Interest & Dividends	205	-	-
Total Other Objects	4,488,724	6,954,000	2,387,000
TOTAL OBLIGATIONS	19,363,336	30,000,000	10,300,000

EMPLOYMENT DATA:	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	-	-	-	-	-	-
Full Time Equivalents:						
Permanent Employment	-	-	-	-	-	-
Temporary Employment	6.1	674.0	9.5	1,044.2	3.9	428.1
Total FTE's	6.1	674.0	9.5	1,044.2	3.9	428.1

POSITION DATA:			
Average Salary GS/GM Positions	-	-	-
Average Grade GS/GM Positions	-	-	-

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
DISASTER ASSISTANCE
TRANSFER TO TREASURY

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	-	-	-65,000
Field	-	-	-6,111,000
11. Total Personnel Comp.	-	-	-6,176,000
Other Objects:			
12. Personnel Benefits	-	-	-488,000
13. Benefits for Former Pers.	-	-	-
21. Travel & Trans. of Persons	-	-	-164,000
22. Transportation of Things	-	-	-23,000
23. Rent, Comm. & Utilities:			
Standard Level User Charges	-	-	-
Rental Payments to Others	-	-	-47,000
Communication Services	-	-	-39,000
24. Printing & Reproduction	-	-	-4,000
25. Other Services	-	-	-20,000
26. Supplies & Materials	-	-	-13,000
31. Equipment	-	-	-26,000
41. Grants, Subsidies & Contrib.	-	-	-
42. Ins. Claims & Indemnities	-	-	-
43. Interest & Dividends	-	-	-
Total Other Objects	-	-	-824,000
TOTAL OBLIGATIONS	-	-	-7,000,000

EMPLOYMENT DATA:	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	-	-	-	-	-	-
Full Time Equivalents:						
Permanent Employment	-	-	-	-	-	-
Temporary Employment	-	-	-	-	-2.0	-298.0
Total FTE's	-	-	-	-	-2.0	-298.0

POSITION DATA:			
Average Salary GS/GM Positions	-	-	-
Average Grade GS/GM Positions	-	-	-

3. Procurement and Technical Assistance

			1987		
	1985	1986	SBA	Commerce	Treasury
Amount	$10,238,378	$13,884,000	$ 1,697,000	$12,015,000	-
Less: G-R-H	-	- 596,000	-	-	-
Adjusted	10,238,378	13,288,000	1,697,000	12,015,000	-
FTE's	186.0	266.0	10.2	226.0	-
Less: G-R-H	-	-11.4	-	-	-
Adjusted	186.0	254.6	10.2	226.0	-
Positions	313	311	74	237	-

Highlight

Under the Administration's proposal, the Procurement and Technical Assistance activity is proposed to be transferred to the Department of Commerce. Funding for this activity will be included in the budget of the Department of Commerce. Within the purview of this activity, the basic objectives are to assure small business a fair share of Government procurement and sales through Prime Contracts Assistance, Breakout Procurement Center Representative (PCR), Subcontracting Assistance, Small Business Timber Set-Aside, Procurement Automated Source System (PASS), and Certificate of Competency (COC) programs. These vital programs ensure procurement and technical assistance to small businesses, thus increasing the share of total sales of Government property to small business.

The Prime Contracts Assistance program attempts to increase the share of Government contracts awarded to small business concerns, including disadvantaged and women-owned businesses.

The Breakout PCR program strives diligently to gain competitive procurements of previous sole-source items to allow the Government to receive the lowest possible prices on defense-related procurements. The Administration's concern over highly inflated spare parts prices can be partially alleviated as a result of the success this program has experienced. This program has projected savings to the federal government of over $400 million in FY 1987. The transfer of this function to the Department of Commerce would provide 137 Breakout PCR's and supporting personnel, including those authorized under P.L. 98-577. The original Breakout pilot program consisted of 4 Breakout PCR's. This pilot was so cost-effective that an additional 10 positions were authorized in FY 1983 and another 15 in FY 1985. Also, P.L. 98-577 authorized an additional 108 positions for a total of 137 positions to implement this vital program.

The Subcontracting Assitance Program's purpose is to aid small business concerns in gaining equitable opportunity to participate, as subcontractors, in Federal contracts. This program attempts to maximize each Federal agency's efforts to increase subcontracting to small and small disadvantaged business concerns under agency contracts. Subcontracting Assistance Program delivery is accomplished through review of solicitations, pre-award review of subcontracting plans, review for compliance of subcontracting programs and plans, source referral and various program marketing efforts.

The Small Business Timber Set-Aside program has assured the small business community its historical fair share of Federal timber through small business set-asides. A recent study of this program conducted by the U.S. Forest Service and the SBA concluded set-aside sales produced the highest revenues per unit of measure (dollars per 1000 board feet) when compared with the combined purchase of all businesses. The total bid value by small business during the seven years covered by the study was over $3.5 billion.

The PASS program is a data base developed by SBA in order to improve potential government contract and subcontract opportunities for small firms and to be responsive to the requests of government agencies and major corporations for profiles of potential bidders. Company profiles are "on-line" in the fields of research and development (R&D), manufacturing, construction and services.

The COC program represents an effort to increase small businesses' share of government awards and to ensure that specific small business firms receive the contracts they are entitled to. A "Certificate of Competency" is a document certifying as to the responsibility of a small business concern to perform a specific Government contract. As a consequence of Certificates of Competency, deserving small businesses are awarded contracts that would have gone to higher bidders. Estimated FY 1987 savings to the federal government alone from this program are estimated at about $50 million. Few Federal programs have such an impressive cost-benefit ratio.

The Administration's proposal also requires the establishment and implementation of application fees for COC applicants beginning in FY 1988, to help offset the administrative costs of this program.

This proposal terminates the regular Procurement Center Representatives (PCR's). Procuring agencies will be instructed to utilize their Small and Disadvantaged Business Utilization Specialists to monitor small business set-asides and achieve small business procurement objectives.

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
PROCUREMENT AND TECHNICAL ASSISTANCE

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	1,215,858	1,251,000	1,125,000
Field	6,480,567	9,549,000	8,571,000
11. Total Personnel Comp.	7,696,425	10,800,000	9,696,000
Other Objects:			
12. Personnel Benefits	956,994	1,254,000	1,074,000
13. Benefits for Former Pers.	-	-	1,194,000
21. Travel & Trans. of Persons	370,153	375,000	333,000
22. Transportation of Things	33,718	25,000	22,000
23. Rent, Comm. & Utilities:			
Standard Level User Charges	-	-	-
Rental Payments to Others	-	-	-
Communication Services	-	-	-
24. Printing & Reproduction	75,906	50,000	45,000
25. Other Services	1,010,529	1,340,000	1,313,000
26. Supplies & Materials	16,230	30,000	26,000
31. Equipment	78,339	10,000	9,000
41. Grants, Subsidies & Contrib.	-	-	-
42. Ins. Claims & Indemnities	-	-	-
43. Interest & Dividends	84	-	-
Total Other Objects	2,541,953	3,084,000	4,016,000
TOTAL OBLIGATIONS	10,238,378	13,884,000	13,712,000

EMPLOYMENT DATA:	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	25	288	23	288	23	288
Full Time Equivalents:						
Permanent Employment	24.9	153.6	26.0	235.1	23.1	208.7
Temporary Employment	3.2	4.3	3.8	1.1	3.5	.9
Total FTE's	28.1	157.9	29.8	236.2	26.6	209.6

POSITION DATA:			
Average Salary GS/GM Positions	41,238	39,434	39,828
Average Grade GS/GM Positions	11.3	11.2	11.2

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
PROCUREMENT & TECHNICAL ASSISTANCE

G-R-H REDUCTIONS & TRANSFER TO COMMERCE

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	-	-54,000	-1,075,000
Field	-	-410,000	-8,191,000
11. Total Personnel Comp.	-	-464,000	-9,266,000
Other Objects:			
12. Personnel Benefits	-	-54,000	-1,028,000
13. Benefits for Former Pers.	-	-	-
21. Travel & Trans. of Persons	-	-16,000	-319,000
22. Transportation of Things	-	-1,000	-21,000
23. Rent, Comm. & Utilities:			
Standard Level User Charges	-	-	-
Rental Payments to Others	-	-	-
Communication Services	-	-	-
24. Printing & Reproduction	-	-2,000	-43,000
25. Other Services	-	-58,000	-1,304,000
26. Supplies & Materials	-	-1,000	-25,000
31. Equipment	-	-	-9,000
41. Grants, Subsidies & Contrib.	-	-	-
42. Ins. Claims & Indemnities	-	-	-
43. Interest & Dividends	-	-	-
Total Other Objects	-	-132,000	-2,749,000
TOTAL OBLIGATIONS	-	-596,000	-12,015,000

EMPLOYMENT DATA:

	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	-	-	-	-	-20	-217
Full Time Equivalents:						
Permanent Employment	-	-	-1.1	-10.1	-22.1	-199.7
Temporary Employment	-	-	-.2	-	-3.3	-.9
Total FTE's	-	-	-1.3	-10.1	-25.4	-200.6

POSITION DATA:

Average Salary GS/GM Positions	-	-	-
Average Grade GS/GM Positions	-	-	-

4. Minority Small Business and Capital Ownership Development

	1985	1986	1987		
			SBA	Commerce	Treasury
Amount	$23,264,600	$22,674,000	$2,276,000	$10,186,000	-
Less: G-R-H	-	- 976,000	-	-	-
Adjusted	23,264,600	21,698,000	2,276,000	10,186,000	-
FTE's	316.4	319.6	16.4	255.0	-
Less: G-R-H	-	-13.7	-	-	-
Adjusted	316.4	305.9	16.4	255.0	-
Positions	319	300	17	283	-

Highlight

Under the Administration's proposal, section 7(j) contracts and grants, Business Development Expenses, and outreach activities will be terminated. The activities of this office regarding section 8(a) programs will be transferred to the Department of Commerce and merged with Minority Business Development Agency. Funding for this function will be included in the budget of the Department of Commerce.

The maintenance of Minority Small Business/Capital Ownership Development programs will ensure equal access to the free enterprise system by all Americans. The transfer of this function to the Department of Commerce will represent a continuance of SBA's historical policy of providing government contracts and related management assistance to 8(a) firms in strict accordance with a predetermined, individual business plan. This will also ensure the continuing development of efforts to assist small disadvantaged firms in the private sector marketplace and encourage such firms to decrease their dependence on public sector contracts. This transfer may also provide for better coordination of management and technical services provided by various Federal agencies.

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
MINORITY SMALL BUSINESS/CAPITAL OWNERSHIP DEVELOPMENT (MSB/COD)

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	1,670,700	1,593,000	1,369,000
Field	9,110,557	9,241,000	7,940,000
11. Total Personnel Comp.	10,781,257	10,834,000	9,309,000
Other Objects:			
12. Personnel Benefits	1,359,578	1,236,000	1,034,000
13. Benefits for Former Pers.	9,922	-	1,604,000
21. Travel & Trans. of Persons	319,312	418,000	355,000
22. Transportation of Things	22,992	37,000	32,000
23. Rent, Comm. & Utilities:			
Standard Level User Charges	-	-	-
Rental Payments to Others	-	-	-
Communication Services	-	-	-
24. Printing & Reproduction	8,954	30,000	26,000
25. Other Services	3,052,137	10,070,000	60,000
26. Supplies & Materials	11,060	14,000	12,000
31. Equipment	4,282	35,000	30,000
41. Grants, Subsidies & Contrib.	7,695,098	-	-
42. Ins. Claims & Indemnities	-	-	-
43. Interest & Dividends	8	-	-
Total Other Objects	12,483,343	11,840,000	3,153,000
TOTAL OBLIGATIONS	23,264,600	22,674,000	12,462,000

EMPLOYMENT DATA:	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	44	275	25	275	25	275
Full Time Equivalents:						
Permanent Employment	32.2	277.3	38.3	277.3	32.6	235.4
Temporary Employment	1.1	5.8	2.3	1.7	1.9	1.5
Total FTE's	33.3	283.1	40.6	279.0	34.5	236.9
POSITION DATA:						
Average Salary GS/GM Positions	33,761		33,020		33,350	
Average Grade GS/GM Positions	10.4		10.4		10.4	

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
MINORITY SMALL BUSINESS/CAPITAL OWNERSHIP DEVELOPMENT (MSB/COD)

G-R-H REDUCTIONS & TRANSFER TO COMMERCE

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	-	-68,000	-1,285,000
Field	-	-398,000	-7,446,000
11. Total Personnel Comp.	-	-466,000	-8,731,000
Other Objects:			
12. Personnel Benefits	-	-53,000	-972,000
13. Benefits for Former Pers.	-	-	-
21. Travel & Trans. of Persons	-	-18,000	-334,000
22. Transportation of Things	-	-2,000	-30,000
23. Rent, Comm. & Utilities:			
Standard Level User Charges	-	-	-
Rental Payments to Others	-	-	-
Communication Services	-	-	-
24. Printing & Reproduction	-	-1,000	-24,000
25. Other Services	-	-433,000	-56,000
26. Supplies & Materials	-	-1,000	-11,000
31. Equipment	-	-2,000	-28,000
41. Grants, Subsidies & Contrib.	-	-	-
42. Ins. Claims & Indemnities	-	-	-
43. Interest & Dividends	-	-	-
Total Other Objects	-	-510,000	-1,455,000
TOTAL OBLIGATIONS	-	-976,000	-10,186,000

EMPLOYMENT DATA:	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	-	-	-	-	-25	-258
Full Time Equivalents:						
Permanent Employment	-	-	-1.6	-11.9	-30.6	-221.2
Temporary Employment	-	-	-.1	-.1	-1.8	-1.4
Total FTE's	-	-	-1.7	-12.0	-32.4	-222.6

POSITION DATA:			
Average Salary GS/GM Positions	-	-	-
Average Grade GS/GM Positions	-	-	-

5. Innovation, Research and Technology

	1985	1986	1987		
			SBA	Commerce	Treasury
Amount	$680,366	$1,128,000	$ -	$1,143,000	-
Less: G-R-H	-	-48,000	-	-	-
Adjusted	680,366	1,080,000	-	1,143,000	-
FTE's	8.4	8.8	-	9.0	-
Less: G-R-H	-	-.4	-	-	-
Adjusted	8.4	8.4	-	9.0	-
Positions	8	7	-	7	-

Highlight

Under the Administration's proposal, the Office of Innovation, Research & Technology is proposed to be transferred to the Department of Commerce. Funding for this activity will be included in the budget of the Department of Commerce.

The Small Business Innovation and Research (SBIR) program, just recently implemented, has been a major success. Among other activities, this program develops and maintains a national information program to enhance participation of technically-qualified small business concerns in agencies' R&D solicitations. Additionally, this program monitors the operation and administration of the SBIR program within participating agencies and departments. By matching successful SBIR program winners to the venture capital market, all innovations produced are commercialized.

In addition to providing small business firms with an additional estimated $480 million in Federal R&D dollars by FY 1987, this program goes far toward achieving the administration's goal of developing new technologies and innovations that contribute to economic productivity and employment. This function will be transferred to the Department of Commerce and continue assisting the nation's small high technology businesses.

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
INNOVATION, RESEARCH & TECHNOLOGY

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	318,164	376,000	390,000
Field	-	-	-
11. Total Personnel Comp.	318,164	376,000	390,000
Other Objects:			
12. Personnel Benefits	32,899	42,000	43,000
13. Benefits for Former Pers.	-	-	-
21. Travel & Trans. of Persons	7,082	34,000	34,000
22. Transportation of Things	-	8,000	8,000
23. Rent, Comm. & Utilities:			
Standard Level User Charges	-	-	-
Rental Payments to Others	-	-	-
Communication Services	-	-	-
24. Printing & Reproduction	51,470	116,000	116,000
25. Other Services	270,268	541,000	541,000
26. Supplies & Materials	431	6,000	6,000
31. Equipment	52	5,000	5,000
41. Grants, Subsidies & Contrib.	-	-	-
42. Ins. Claims & Indemnities	-	-	-
43. Interest & Dividends	-	-	-
Total Other Objects	362,202	752,000	753,000
TOTAL OBLIGATIONS	680,366	1,128,000	1,143,000

EMPLOYMENT DATA:	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	8	-	7	-	7	-
Full Time Equivalents:						
Permanent Employment	7.5	-	7.8	-	8.0	-
Temporary Employment	.9	-	1.0	-	1.0	-
Total FTE's	8.4	-	8.8	-	9.0	-

POSITION DATA:			
Average Salary GS/GM Positions	39,151	45,385	45,839
Average Grade GS/GM Positions	11.3	11.6	11.6

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
INNOVATION, RESEARCH & TECHNOLOGY

G-R-H REDUCTIONS & TRANSFER TO COMMERCE

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	-	-16,000	-390,000
Field	-	-	-
11. Total Personnel Comp.	-	-16,000	-390,000
Other Objects:			
12. Personnel Benefits	-	-2,000	-43,000
13. Benefits for Former Pers.	-	-	-
21. Travel & Trans. of Persons	-	-2,000	-34,000
22. Transportation of Things	-	-	-8,000
23. Rent, Comm. & Utilities:			
Standard Level User Charges	-	-	-
Rental Payments to Others	-	-	-
Communication Services	-	-	-
24. Printing & Reproduction	-	-5,000	-116,000
25. Other Services	-	-23,000	-541,000
26. Supplies & Materials	-	-	-6,000
31. Equipment	-	-	-5,000
41. Grants, Subsidies & Contrib.	-	-	-
42. Ins. Claims & Indemnities	-	-	-
43. Interest & Dividends	-	-	-
Total Other Objects	-	-32,000	-753,000
TOTAL OBLIGATIONS	-	-48,000	-1,143,000

EMPLOYMENT DATA:

	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	-	-	-	-	-7	-
Full Time Equivalents:						
Permanent Employment	-	-	-.3	-	-8.0	-
Temporary Employment	-	-	-.1	-	-1.0	-
Total FTE's	-	-	-.4	-	-9.0	-

POSITION DATA:

Average Salary GS/GM Positions	-	-	-
Average Grade GS/GM Positions	-	-	-

6. Business Development

	1985	1986	1987 SBA	1987 Commerce	1987 Treasury
Amount	$48,373,367	$57,180,000	$13,075,000	$3,248,000	-
Less: G-R-H	-	-2,459,000	-	-	-
Adjusted	48,373,367	54,721,000	13,075,000	3,248,000	-
FTE's	376.6	367.3	90.7	10.0	-
Less: G-R-H	-	-15.8	-	-	-
Adjusted	376.6	351.5	90.7	10.0	-
Positions	355	351	341	10	-

Highlight

Under a reorganization plan recently implemented at SBA, Management Assistance has been renamed the "Office of Business Development." The activity "Business Development" is comprised of the "Office of Business Development", "Women's Business Ownership" and "Veteran's Affairs". This reorganization was accomplished to more effectively target and administer the assistance programs mentioned above, and to place their oversight under an "Associate Administrator" organization level within the Agency.

Under the Administration's proposal, the SCORE/ACE program will be transferred to the Department of Commerce and all of the remaining functions within "Business Development" will be abolished. Funding for the remaining functions are requested in the budget of the SBA for the first quarter of FY 1987, to enable this activity to properly phase-out operations. A major portion of the expense will be for terminal leave and severence pay. Funding for the SCORE/ACE function will be included in the budget of the Department of Commerce.

The SCORE/ACE program combines President Reagan's enthusiasm for volunteerism activities with a dedicated corps of retired and active business men and women who volunteer their services to counsel small business America. These volunteers, in cooperation with SBA, conduct prebusiness workshops, problem-solving clinics, business conferences, and onsite counseling throughout the United States. Only $3,248,000 for the SCORE program is requested for FY 1987, of which $2,820,000 is for direct support of the SCORE/ACE volunteers. This prudent investment supports program expenses for about 12,000 volunteers and 400 SCORE chapters across the United States. Few programs in the Federal service are able to leverage funds as successfully as the SCORE program. It has been demonstrated throughout the history of this program that SCORE has the ability to interact with public and private resource groups. Therefore, it is recommended that as part of the Administration's proposed reorganization of small business functions, that the SCORE/ACE program, along with 10 full-time equivalent positions to administer the program, be transferred to the Department of Commerce. The remaining management assistance programs would be eliminated because those functions are provided by the private sector. The functions proposed for elimination would be the SBDC program, the SBI program, and other counseling and training programs, women's business ownership, and veteran's affairs.

The Administration's proposal also requires the establishment and implementation of user fees for services performed by the SCORE/ACE volunteers. It is assumed that this function will be self-supporting, through the charging of fees, by 1990.

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
BUSINESS DEVELOPMENT

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	1,884,768	1,710,000	450,000
Field	10,950,930	10,763,000	3,112,000
11. Total Personnel Comp.	12,835,698	12,473,000	3,562,000
Other Objects:			
12. Personnel Benefits	1,508,640	1,458,000	384,000
13. Benefits for Former Pers.	-	-	8,963,000
21. Travel & Trans. of Persons	1,585,157	1,811,000	2,212,000
22. Transportation of Things	8,890	25,000	7,000
23. Rent, Comm. & Utilities:			
Standard Level User Charges	-	-	-
Rental Payments to Others	-	-	-
Communication Services	-	-	-
24. Printing & Reproduction	459,280	525,000	144,000
25. Other Services	31,224,031	40,747,000	992,000
26. Supplies & Materials	26,875	90,000	25,000
31. Equipment	29,445	51,000	14,000
41. Grants, Subsidies & Contrib.	695,333	-	-
42. Ins. Claims & Indemnities	-	-	-
43. Interest & Dividends	18	-	-
Total Other Objects	35,537,669	44,707,000	12,761,000
TOTAL OBLIGATIONS	48,373,367	57,180,000	16,323,000

EMPLOYMENT DATA:	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	42	313	38	313	38	313
Full Time Equivalents:						
Permanent Employment	41.4	315.8	40.1	307.3	10.2	85.5
Temporary Employment	6.1	13.3	5.4	14.5	1.3	3.7
Total FTE's	47.5	329.1	45.5	321.3	11.5	89.2

POSITION DATA:			
Average Salary GS/GM Positions	34,231	33,694	34,031
Average Grade GS/GM Positions	10.5	10.5	10.5

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
BUSINESS DEVELOPMENT

G-R-H REDUCTIONS & TRANSFER TO COMMERCE

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	-	-74,000	-
Field	-	-462,000	-343,000
11. Total Personnel Comp.	-	-536,000	-343,000
Other Objects:			
12. Personnel Benefits	-	-63,000	-39,000
13. Benefits for Former Pers.	-	-	-
21. Travel & Trans. of Persons	-	-78,000	-2,111,000
22. Transportation of Things	-	-1,000	-1,000
23. Rent, Comm. & Utilities:			
Standard Level User Charges	-	-	-
Rental Payments to Others	-	-	-
Communication Services	-	-	-
24. Printing & Reproduction	-	-23,000	-14,000
25. Other Services	-	-1,752,000	-736,000
26. Supplies & Materials	-	-4,000	-3,000
31. Equipment	-	-2,000	-1,000
41. Grants, Subsidies & Contrib.	-	-	-
42. Ins. Claims & Indemnities	-	-	-
43. Interest & Dividends	-	-	-
Total Other Objects	-	-1,923,000	-2,905,000
TOTAL OBLIGATIONS	-	-2,459,000	-3,248,000

EMPLOYMENT DATA:

	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	-	-	-	-	-	-10
Full Time Equivalents:	-	-	-1.8	-13.2	-	-10.0
Permanent Employment	-	-	-.2	-.6	-	-
Temporary Employment	-	-	-2.0	-13.8	-	-10.0
Total FTE's						

POSITION DATA:

Average Salary GS/GM Positions	-	-	-
Average Grade GS/GM Positions	-	-	-

7. Special Programs

			1987		
	1985	1986	SBA	Commerce	Treasury
Amount	$1,464,492	$1,531,000	$1,033,000	$200,000	-
Less: G-R-H	-	- 65,000	-	-	-
Adjusted	1,464,492	1,466,000	1,033,000	200,000	-
FTE's	25.7	25.7	5.8	3.0	-
Less: G-R-H	-	-1.1	-	-	-
Adjusted	25.7	24.6	5.8	3.0	-
Positions	26	24	21	3	-

Highlight

Under a reorganization plan recently implemented, the Office of Women's Business Ownership and Veteran's Affairs were transferred to "Business Development." The Administration's proposal will terminate the Offices of International Trade and Private Sector Initiatives. These programs duplicate private sector and other federal activities. Funding for the first quarter of FY 1987 is requested in the budget for SBA, to enable them to properly phase-out operations. A major portion of the expense will be for terminal leave and severence pay. It is proposed that the National Advisory Council be consolidated with the Small Business Advocacy office and transferred to the Department of Commerce. Funding for this activity will be included in the budget of the Department of Commerce.

The National Advisory Council serves as an advocate for small business; by speaking out for small business on radio and television public service programs and at community functions, civic and service clubs; by urging banks to make more capital available to small businesses, by urging state and local units of government to provide equitable treatment of small business in areas such as taxation, regulations, and purchasing; by appearing before these government bodies when ordinances or regulations affecting small business are considered; and by explaining the role of small business and the free enterprise concept to students and faculties of our educational institutions.

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
SPECIAL PROGRAMS

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	609,993	629,000	243,000
Field	392,000	392,000	103,000
11. Total Personnel Comp.	1,001,993	1,021,000	346,000
Other Objects:			
12. Personnel Benefits	119,897	114,000	38,000
13. Benefits for Former Pers.	-	-	683,000
21. Travel & Trans. of Persons	114,147	146,000	100,000
22. Transportation of Things	2,013	-	-
23. Rent, Comm. & Utilities:			
Standard Level User Charges	-	-	-
Rental Payments to Others	-	-	-
Communication Services	-	-	-
24. Printing & Reproduction	52,839	53,000	15,000
25. Other Services	148,528	178,000	46,000
26. Supplies & Materials	1,706	7,000	2,000
31. Equipment	23,315	12,000	3,000
41. Grants, Subsidies & Contrib.	-	-	-
42. Ins. Claims & Indemnities	-	-	-
43. Interest & Dividends	54	-	-
Total Other Objects	462,499	510,000	887,000
TOTAL OBLIGATIONS	1,464,492	1,531,000	1,233,000

EMPLOYMENT DATA:	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	16	10	14	10	14	10
Full Time Equivalents:						
Permanent Employment	16.4	8.7	16.2	8.4	6.4	2.1
Temporary Employment	.6	-	1.1	-	.3	-
Total FTE's	17.0	8.7	17.3	8.4	6.7	2.1

POSITION DATA:			
Average Salary GS/GM Positions	39,091	40,000	40,400
Average Grade GS/GM Positions	10.7	10.8	10.8

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
SPECIAL PROGRAMS

G-R-H REDUCTIONS & TRANSFER TO COMMERCE

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	-	-27,000	-100,000
Field	-	-17,000	-
11. Total Personnel Comp.	-	-44,000	-100,000
Other Objects:			
12. Personnel Benefits	-	-5,000	-11,000
13. Benefits for Former Pers.	-	-	-
21. Travel & Trans. of Persons	-	-6,000	-85,000
22. Transportation of Things	-	-	-
23. Rent, Comm. & Utilities:			
Standard Level User Charges	-	-	-
Rental Payments to Others	-	-	-
Communication Services	-	-	-
24. Printing & Reproduction	-	-2,000	-2,000
25. Other Services	-	-8,000	-1,000
26. Supplies & Materials	-	-	-1,000
31. Equipment	-	-	-
41. Grants, Subsidies & Contrib.	-	-	-
42. Ins. Claims & Indemnities	-	-	-
43. Interest & Dividends	-	-	-
Total Other Objects	-	-21,000	-100,000
TOTAL OBLIGATIONS	-	-65,000	-200,000

EMPLOYMENT DATA:	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	-	-	-	-	-3	-
Full Time Equivalents:						
Permanent Employment	-	-	-.7	-.4	-3.0	-
Temporary Employment	-	-	-	-	-	-
Total FTE's	-	-	-.7	-.4	-3.0	-

POSITION DATA:			
Average Salary GS/GM Positions	-	-	-
Average Grade GS/GM Positions	-	-	-

8. Advocacy

	1985	1986	1987		
			SBA	Commerce	Treasury
Amount	$5,700,418	$5,101,000	$ -	$5,128,000	-
Less: G-R-H	-	-219,000	-	-	-
Adjusted	5,700,418	4,882,000	-	5,128,000	-
FTE's	79.8	58.1	-	58.0	-
Less: G-R-H	-	-2.5	-	-	-
Adjusted	79.8	55.6	-	58.0	-
Positions	27	25	-	25	-

Highlight

Under the Administration's proposal, the Office of Advocacy is proposed to be transferred to the Department of Commerce. Funding for this activity will be included in the budget of the Department of Commerce. The Office of Advocacy will continue to maintain a strong voice for small business and continue their major objectives of encouraging government policies, procedures and activities that enhance small business interests. This includes the maintenance of economic research efforts directed toward small business issues.

Economic research activities within the Office of Advocacy serve as the Nation's primary source of small business related economic research and analysis. A total of $2.2 million for economic research activities is requested for FY 1987. The Office of Economic Research within Advocacy provides advice and counsel to high-level policymaking officials within the legislative and executive branches of the Federal Government.

Federal policies must be influenced in order to assure maximum opportunity for small business formation, growth and survival. The Office of Advocacy is the cornerstone of this influencing mechanism and is an integral part of the Administration's budget proposal. Additionally, this proposal continues and emphasizes the charging of user fees to aid in offsetting the administrative costs of overseeing and updating the database.

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
ADVOCACY

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	3,012,024	2,407,000	2,431,000
Field	-	-	-
11. Total Personnel Comp.	3,012,024	2,407,000	2,431,000
Other Objects:			
12. Personnel Benefits	320,189	225,000	228,000
13. Benefits for Former Pers.	-	-	-
21. Travel & Trans. of Persons	70,871	98,000	98,000
22. Transportation of Things	5,194	-	-
23. Rent, Comm. & Utilities:			
Standard Level User Charges	-	-	-
Rental Payments to Others	-	-	-
Communication Services	-	-	-
24. Printing & Reproduction	60,576	103,000	103,000
25. Other Services	2,138,729	2,213,000	2,213,000
26. Supplies & Materials	69,361	40,000	40,000
31. Equipment	23,432	15,000	15,000
41. Grants, Subsidies & Contrib.	-	-	-
42. Ins. Claims & Indemnities	-	-	-
43. Interest & Dividends	42	-	-
Total Other Objects	2,688,394	2,694,000	2,697,000
TOTAL OBLIGATIONS	5,700,418	5,101,000	5,128,000

EMPLOYMENT DATA:	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	27	-	25	-	25	-
Full Time Equivalents:						
Permanent Employment	26.8	-	26.8	-	26.8	-
Temporary Employment	53.0	-	31.3	-	31.2	-
Total FTE's	79.8	-	58.1	-	58.0	-

POSITION DATA:			
Average Salary GS/GM Positions	46,705	49,496	49,991
Average Grade GS/GM Positions	12.3	12.6	12.6

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
ADVOCACY

G-R-H REDUCTIONS & TRANSFER TO COMMERCE

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	-	-104,000	-2,431,000
Field	-	-	-
11. Total Personnel Comp.	-	-104,000	-2,431,000
Other Objects:			
12. Personnel Benefits	-	-9,000	-228,000
13. Benefits for Former Pers.	-	-	-
21. Travel & Trans. of Persons	-	-4,000	-98,000
22. Transportation of Things	-	-	-
23. Rent, Comm. & Utilities:			
Standard Level User Charges	-	-	-
Rental Payments to Others	-	-	-
Communication Services	-	-	-
24. Printing & Reproduction	-	-4,000	-103,000
25. Other Services	-	-95,000	-2,213,000
26. Supplies & Materials	-	-2,000	-40,000
31. Equipment	-	-1,000	-15,000
41. Grants, Subsidies & Contrib.	-	-	-
42. Ins. Claims & Indemnities	-	-	-
43. Interest & Dividends	-	-	-
Total Other Objects	-	-115,000	-2,697,000
TOTAL OBLIGATIONS	-	-219,000	-5,128,000

EMPLOYMENT DATA:

	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	-	-	-	-	-25	-
Full Time Equivalents:						
Permanent Employment	-	-	-1.2	-	-26.8	-
Temporary Employment	-	-	-1.3	-	-31.2	-
Total FTE's	-	-	-2.5	-	-58.0	-

POSITION DATA:

Average Salary GS/GM Positions	-	-	-
Average Grade GS/GM Positions	-	-	-

9. Management and Administration

			1987		
	1985	1986	SBA	Commerce	Treasury
Amount	$46,328,775	$46,432,000	$16,873,000	$6,070,000	$17,827,000
Less: G-R-H	-	-1,256,000	-	-	-
Adjusted	46,328,775	45,176,000	16,873,000	6,070,000	17,827,000
FTE's	368.0	348.2	50.8	17.0	135.0
Less: G-R-H	-	-9.4	-	-	-
Adjusted	368.0	338.8	50.8	17.0	135.0
Positions	329	309	170	16	123

Highlight

Under the Administration's proposal, the Office of Equal Employment Opportunity and Compliance, Public Communications and Program Analysis and Review will be terminated. These functions will be provided by the Department of Commerce and the Department of the Treasury for those activities being transferred. It is proposed that some functions within the Offices of the Comptroller, Personnel, and Administration be transferred to the Department of the Treasury and/or the Department of Commerce. The amount requested in SBA reflects only the necessary expenses of the first quarter of FY 1987, to enable the activities to properly phase-out the untransferred functions.

A major component of this proposal is the transfer of the Agency's business and disaster loan portfolio. It is recognized that, in addition to the direct portfolio management and disaster servicing personnel, there is a large contingency of administrative support that must accompany this transfer. This proposal includes the transfer of an appropriate level of administrative support necessary to support this portfolio.

The Office of Comptroller is responsible for the formulation, presentation and execution of the Agency's budgeting/planning process and related systems; monthly data on Agency employment for ceiling controls; Agency historical data relative to past budgets, programs and activities of the SBA; developing and updating computerized reports and Agency procedures and manuals; the accountability of funds and assets of the SBA; the processing of loan and administrative disbursements; the collection of loan, administrative and other receipts; the payroll functions of the SBA; and the maintenance of the loan and administrative accounting systems. This proposal includes the transfer of 100 FTE's for this activity to the Department of the Treasury, and the transfer of 8 FTE's to the Department of Commerce. A request is included in the budget of the Department of the Treasury of $3,945,000 for this activity, and in the budget of the Department of Commerce of $370,000 for this activity. Also, $1,150,000 is included in the budget of the SBA for the first quarter of FY 1987, to enable this activity to properly phase-out the untransferred functions.

The Office of Administration is comprised of; the Office of Administrative Services, responsible for space management, records management, paperwork management, telecommunications, and ad hoc special studies; the Office of Labor Relations, responsible for dealing with labor organizations representing SBA employees; the Office of Procurement and Grants Management, responsible for contracts, federal assistance (grants and cooperative agreements), and small purchases. This proposal includes the transfer of 2 FTE's for this activity to the Department of Commerce, and the transfer of 20 FTE's to the Department of the Treasury. A request is included in the budget of the Department of Commerce of $5,287,000 for this activity, and in the budget of the Department of the Treasury of $12,991,000 for this activity. Also, $11,781,000 is included in the budget of the SBA for the first quarter of FY 1987, to enable this activity to properly phase-out untransferred functions.

The Office of Personnel is responsible for the day to day coordination and direction of all personnel programs and activities of the Agency. This proposal includes the transfer of 7 FTE's for this activity to the Department of Commerce, and the transfer of 15 FTE's to the Department of the Treasury. A request is included in the budget of the Department of Commerce of $413,000 for this activity, and in the budget of the Department of the Treasury of $891,000 for this activity. Also, $778,000 is included in the budget of the SBA for the first quarter of FY 1987, to enable this activity to properly phase-out untransferred functions.

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
MANAGEMENT & ADMINISTRATION

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	9,106,890	8,684,000	4,999,000
Field	1,836,376	1,982,000	1,128,000
11. Total Personnel Comp.	10,943,266	10,666,000	6,127,000
Other Objects:			
12. Personnel Benefits	2,432,168	2,528,000	1,964,000
13. Benefits for Former Pers.	288,913	-	4,578,000
21. Travel & Trans. of Persons	625,752	608,000	282,000
22. Transportation of Things	48,157	41,000	19,000
23. Rent, Comm. & Utilities:			
Standard Level User Charges	16,888,575	17,200,000	15,257,000
Rental Payments to Others	1,086,816	1,424,000	1,264,000
Communication Services	10,077,570	10,403,000	9,227,000
24. Printing & Reproduction	420,840	293,000	162,000
25. Other Services	2,762,585	2,760,000	1,587,000
26. Supplies & Materials	447,615	378,000	234,000
31. Equipment	305,013	131,000	69,000
41. Grants, Subsidies & Contrib.	-	-	-
42. Ins. Claims & Indemnities	-	-	-
43. Interest & Dividends	1,505	-	-
Total Other Objects	35,385,509	35,766,000	34,643,000
TOTAL OBLIGATIONS	46,328,775	46,432,000	40,770,000

EMPLOYMENT DATA:	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	248	81	234	75	234	75
Full Time Equivalents:						
Permanent Employment	254.8	72.9	235.9	74.2	134.9	45.8
Temporary Employment	35.2	5.1	30.9	7.2	17.4	4.7
Total FTE's	290.0	78.0	266.8	81.4	152.3	50.5
POSITION DATA:						
Average Salary GS/GM Positions	30,244		31,061		31,372	
Average Grade GS/GM Positions	9.4		9.4		9.4	

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
MANAGEMENT & ADMINISTRATION

G-R-H REDUCTIONS & TRANSFER TO COMMERCE

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	-	-235,000	-554,000
Field	-	-54,000	-
11. Total Personnel Comp.	-	-289,000	-554,000
Other Objects:			
12. Personnel Benefits	-	-69,000	-61,000
13. Benefits for Former Pers.	-	-	-
21. Travel & Trans. of Persons		-16,000	-44,000
22. Transportation of Things	-	-1,000	-1,000
23. Rent, Comm. & Utilities:			
Standard Level User Charges	-	-465,000	-2,408,000
Rental Payments to Others	-	-38,000	-335,000
Communication Services	-	-281,000	-2,444,000
24. Printing & Reproduction	-	-8,000	-13,000
25. Other Services	-	-75,000	-185,000
26. Supplies & Materials	-	-10,000	-19,000
31. Equipment	-	-4,000	-6,000
41. Grants, Subsidies & Contrib.	-	-	-
42. Ins. Claims & Indemnities	-	-	-
43. Interest & Dividends	-	-	-
Total Other Objects	-	-967,000	-5,516,000
TOTAL OBLIGATIONS	-	-1,256,000	-6,070,000

EMPLOYMENT DATA:

	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	-	-	-	-	-16	-
Full Time Equivalents:						
Permanent Employment	-	-	-6.4	-2.0	-15.3	-
Temporary Employment	-	-	-.8	-.2	-1.7	-
Total FTE's	-	-	-7.2	-2.2	-17.0	-

POSITION DATA:

Average Salary GS/GM Positions	-	-	-
Average Grade GS/GM Positions	-	-	-

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
MANAGEMENT & ADMINISTRATION

TRANSFER TO TREASURY

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	-	-	-3,102,000
Field	-	-	-813,000
11. Total Personnel Comp.	-	-	-3,915,000
Other Objects:			
12. Personnel Benefits	-	-	-422,000
13. Benefits for Former Pers.	-	-	-
21. Travel & Trans. of Persons	-	-	-128,000
22. Transportation of Things	-	-	-10,000
23. Rent, Comm. & Utilities:			
Standard Level User Charges	-	-	-5,676,000
Rental Payments to Others	-	-	-766,000
Communication Services	-	-	-5,596,000
24. Printing & Reproduction	-	-	-103,000
25. Other Services	-	-	-1,003,000
26. Supplies & Materials	-	-	-166,000
31. Equipment	-	-	-42,000
41. Grants, Subsidies & Contrib.	-	-	-
42. Ins. Claims & Indemnities	-	-	-
43. Interest & Dividends	-	-	-
Total Other Objects	-	-	-13,912,000
TOTAL OBLIGATIONS	-	-	-17,827,000

EMPLOYMENT DATA:	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	-	-	-	-	-93	-30
Full Time Equivalents:						
Permanent Employment	-	-	-	-	-85.3	-36.1
Temporary Employment	-	-	-	-	-9.7	-3.9
Total FTE's	-	-	-	-	-95.0	-40.0

POSITION DATA:			
Average Salary GS/GM Positions	-	-	-
Average Grade GS/GM Positions	-	-	-

10. Information Resources Management

	1985	1986	1987		
			SBA	Commerce	Treasury
Amount	$12,386,977	$12,042,000	$1,330,000	$ -	$9,033,000
Less: G-R-H	-	-294,000	-	-	-
Adjusted	12,386,977	11,748,000	1,330,000	-	9,033,000
FTE's	92.0	80.8	5.3	-	60.0
Less: G-R-H	-	-2.0	-	-	-
Adjusted	92.0	78.8	5.3	-	60.0
Positions	81	78	20	-	58

Highlight

The Office of Information Resources Management is responsible for the maintenance and reporting of the automated systems, which include the loan portfolio and loan accounting systems. They also manage the telecommunications network which links all servicing personnel with the Agency's information systems.

Under the Administration's proposal, the functions of this activity that are related to servicing the loan portfolio would be transferred to the Department of the Treasury. This proposal includes the transfer of 60 FTE's and $9,033,000 for this activity to the Department of the Treasury. A request of $1,330,000 is included in the budget of the SBA for the first quarter of FY 1987, to enable the remainder of this activity to properly phase-out operations. The majority of this request is for terminal leave and severence pay.

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
INFORMATION RESOURCES MANAGEMENT

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	3,150,368	2,979,000	2,439,000
Field	-	-	-
11. Total Personnel Comp.	3,150,368	2,979,000	2,439,000
Other Objects:			
12. Personnel Benefits	354,146	323,000	264,000
13. Benefits for Former Pers.	-	-	550,000
21. Travel & Trans. of Persons	23,426	134,000	109,000
22. Transportation of Things	9,457	100,000	81,000
23. Rent, Comm. & Utilities:			
Standard Level User Charges	-	-	-
Rental Payments to Others	1,681,005	3,018,000	2,455,000
Communication Services	1,830,567	913,000	743,000
24. Printing & Reproduction	1,097	90,000	74,000
25. Other Services	4,377,481	4,375,000	3,559,000
26. Supplies & Materials	158,224	100,000	81,000
31. Equipment	792,595	10,000	8,000
41. Grants, Subsidies & Contrib.	-	-	-
42. Ins. Claims & Indemnities	-	-	-
43. Interest & Dividends	8,611	-	-
Total Other Objects	9,236,609	9,063,000	7,924,000
TOTAL OBLIGATIONS	12,386,977	12,042,000	10,363,000

EMPLOYMENT DATA:	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	81	-	78	-	78	-
Full Time Equivalents:						
Permanent Employment	90.0	-	78.0	-	63.1	-
Temporary Employment	2.0	-	2.8	-	2.2	-
Total FTE's	92.0	-	80.8	-	65.3	-
POSITION DATA:						
Average Salary GS/GM Positions	32,278		35,468		35,823	
Average Grade GS/GM Positions	9.8		10.1		10.1	

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
INFORMATION RESOURCES MANAGEMENT

G-R-H REDUCTIONS & TRANSFER TO TREASURY

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	-	-73,000	-2,235,000
Field	-	-	-
11. Total Personnel Comp.	-	-73,000	-2,235,000
Other Objects:			
12. Personnel Benefits	-	-8,000	-243,000
13. Benefits for Former Pers.	-	-	-
21. Travel & Trans. of Persons	-	-4,000	-100,000
22. Transportation of Things	-	-2,000	-75,000
23. Rent, Comm. & Utilities:			
Standard Level User Charges	-	-	-
Rental Payments to Others	-	-74,000	-207,000
Communication Services	-	-22,000	-2,741,000
24. Printing & Reproduction	-	-2,000	-68,000
25. Other Services	-	-107,000	-3,281,000
26. Supplies & Materials	-	-2,000	-75,000
31. Equipment	-	-	-8,000
41. Grants, Subsidies & Contrib.	-	-	-
42. Ins. Claims & Indemnities	-	-	-
43. Interest & Dividends	-	-	-
Total Other Objects	-	-221,000	-6,798,000
TOTAL OBLIGATIONS	-	-294,000	-9,033,000

EMPLOYMENT DATA:

	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	-	-	-	-	-58	-
Full Time Equivalents:						
Permanent Employment	-	-	-1.9	-	-58.0	-
Temporary Employment	-	-	-.1	-	-2.0	-
Total FTE's	-	-	-2.0	-	-60.0	-

POSITION DATA:

Average Salary GS/GM Positions	-	-	-
Average Grade GS/GM Positions	-	-	-

11. General Counsel

			1987		
	1985	1986	SBA	Commerce	Treasury
Amount	$13,695,948	$13,149,000	$7,983,000	-	$4,128,000
Less: G-R-H	-	-312,000	-	-	-
Adjusted	13,695,948	12,837,000	7,983,000	-	4,128,000
FTE's	340.0	321.5	56.2	-	100.0
Less: G-R-H	-	-7.6	-	-	-
Adjested	340.0	313.9	56.2	-	100.0
Postions	323	321	218	-	103

Highlight

Under the Administration's proposal, portions of this activity will be transferred to the Department of the Treasury. This proposal transfers 100 FTE's to the Department of the Treasury. Included in their budget request will be $4,128,000 for this activity. Also, the budget of the SBA includes $7,983,000 for this activity, for the first quarter of FY 1987, to enable them to phase-out the untransferred functions.

The Office of General Counsel provides numerous services, many of which are directly related to the management of the agency's loan portfolio. The functions that relate to the portfolio are proposed for transfer to the Department of the Treasury, and include; administration of the various business lending programs, disaster loan programs, lease guarantee program, pollution control guarantee program, surety bond guarantee program, and investment company programs; disbursements of prior year loan and guaranty programs; and foreclosures and litigation of the agency's portfolio.

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
GENERAL COUNSEL

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	1,874,227	1,715,000	854,000
Field	9,812,509	9,677,000	4,802,000
11. Total Personnel Comp.	11,686,736	11,392,000	5,656,000
Other Objects:			
12. Personnel Benefits	1,350,704	1,257,000	617,000
13. Benefits for Former Pers.	-	-	5,597,000
21. Travel & Trans. of Persons	233,217	216,000	105,000
22. Transportation of Things	21,368	30,000	14,000
23. Rent, Comm. & Utilities:			
Standard Level User Charges	-	-	-
Rental Payments to Others	-	-	-
Communication Services	-	-	-
24. Printing & Reproduction	3,784	19,000	9,000
25. Other Services	173,457	30,000	14,000
26. Supplies & Materials	217,618	185,000	89,000
31. Equipment	9,010	20,000	10,000
41. Grants, Subsidies & Contrib.	-	-	-
42. Ins. Claims & Indemnities	-	-	-
43. Interest & Dividends	54	-	-
Total Other Objects	2,009,212	1,757,000	6,455,000
TOTAL OBLIGATIONS	13,695,948	13,149,000	12,111,000

EMPLOYMENT DATA:	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	36	287	34	287	34	287
Full Time Equivalents:						
Permanent Employment	36.5	277.1	34.9	272.2	17.0	132.2
Temporary Employment	2.8	23.6	1.9	12.5	.9	6.1
Total FTE's	39.3	300.7	36.8	284.7	17.9	138.3

POSITION DATA:			
Average Salary GS/GM Positions	34,211	34,494	34,839
Average Grade GS/GM Positions	10.3	10.2	10.2

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
GENERAL COUNSEL

G-R-H REDUCTIONS & TRANSFER TO TREASURY

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	-	-41,000	-542,000
Field	-	-230,000	-3,037,000
11. Total Personnel Comp.	-	-271,000	-3,579,000
Other Objects:			
12. Personnel Benefits	-	-30,000	-395,000
13. Benefits for Former Pers.	-	-	-
21. Travel & Trans. of Persons	-	-5,000	-67,000
22. Transportation of Things	-	-1,000	-9,000
23. Rent, Comm. & Utilities:			
Standard Level User Charges	-	-	-
Rental Payments to Others	-	-	-
Communication Services	-	-	-
24. Printing & Reproduction	-	-1,000	-6,000
25. Other Services	-	-	-9,000
26. Supplies & Materials	-	-4,000	-57,000
31. Equipment	-	-	-6,000
41. Grants, Subsidies & Contrib.	-	-	-
42. Ins. Claims & Indemnities	-	-	-
43. Interest & Dividends	-	-	-
Total Other Objects	-	-41,000	-549,000
TOTAL OBLIGATIONS	-	-312,000	-4,128,000

EMPLOYMENT DATA:

	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	-	-	-	-	-3	-100
Full Time Equivalents:						
Permanent Employment	-	-	-.8	-6.5	-10.9	-84.6
Temporary Employment	-	-	-	-.3	-.6	-3.9
Total FTE's	-	-	-.8	-6.8	-11.5	-88.5

POSITION DATA:

Average Salary GS/GM Positions	-	-	-
Average Grade GS/GM Positions	-	-	-

12. Inspector General

			1987		
	1985	1986	SBA	Commerce	Treasury
Amount	$5,823,261	$6,002,000	$4,982,000	-	-
Less: G-R-H	-	-172,000	-	-	-
Adjusted	5,823,261	5,830,000	4,982,000	-	-
FTE's	133.9	122.1	31.0	-	-
Less: G-R-H	-	-3.5	-	-	-
Adjusted	133.9	118.6	31.0	-	-
Positions	130	123	123	-	-

Highlight

Under the Administrations's proposal, this activity of the SBA would be abolished. Funding is requested for the first quarter of FY 1987, to enable the activity to properly phase-out operations. A major portion of the expense will be for terminal leave and serverance pay.

It is felt that both the Department of the Treasury and the Department of Commerce have sufficient resources devoted to the "Inspector General" activity, and would be able to provide the continuance of services needed for any SBA programs that will be transferred.

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
INSPECTOR GENERAL

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	1,671,955	1,563,000	416,000
Field	2,906,262	3,018,000	802,000
11. Total Personnel Comp.	4,578,217	4,581,000	1,218,000
Other Objects:			
12. Personnel Benefits	547,681	513,000	132,000
13. Benefits for Former Pers.	-	-	3,401,000
21. Travel & Trans. of Persons	372,470	445,000	113,000
22. Transportation of Things	25,834	-	-
23. Rent, Comm. & Utilities:			
Standard Level User Charges	-	-	-
Rental Payments to Others	-	-	-
Communication Services	-	-	-
24. Printing & Reproduction	3,348	18,000	5,000
25. Other Services	184,677	380,000	96,000
26. Supplies & Materials	40,066	55,000	14,000
31. Equipment	70,953	10,000	3,000
41. Grants, Subsidies & Contrib.	-	-	-
42. Ins. Claims & Indemnities	-	-	-
43. Interest & Dividends	15	-	-
Total Other Objects	1,245,044	1,421,000	3,764,000
TOTAL OBLIGATIONS	5,823,261	6,002,000	4,982,000

EMPLOYMENT DATA:	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	44	86	44	79	44	79
Full Time Equivalents:						
Permanent Employment	38.7	77.1	39.0	77.8	9.9	19.7
Temporary Employment	10.2	7.9	3.0	2.3	.8	.6
Total FTE's	48.9	85.0	42.0	80.1	10.7	20.3

POSITION DATA:			
Average Salary GS/GM Positions	37,197	36,826	37,194
Average Grade GS/GM Positions	11.1	11.0	11.0

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
INSPECTOR GENERAL

G-R-H REDUCTIONS

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	-	-45,000	-
Field	-	-86,000	-
11. Total Personnal Comp.	-	-131,000	-
Other Objects:			
12. Personnel Benefits	-	-15,000	-
13. Benefits for Former Pers.	-	-	-
21. Travel & Trans. of Persons	-	-13,000	-
22. Transportation of Things	-	-	-
23. Rent, Comm. & Utilities:			
Standard Level User Charges	-	-	-
Rental Payments to Others	-	-	-
Communication Services	-	-	-
24. Printing & Reproduction	-	-	-
25. Other Services	-	-11,000	-
26. Supplies & Materials	-	-2,000	-
31. Equipment	-	-	-
41. Grants, Subsidies & Contrib.	-	-	-
42. Ins. Claims & Indemnities	-	-	-
43. Interest & Dividends	-	-	-
Total Other Objects	-	-41,000	-
TOTAL OBLIGATIONS	-	-172,000	-

EMPLOYMENT DATA:

	FY 1985 ACTUAL		FY 1986 ESTIMATE		FY 1987 ESTIMATE	
	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	-	-	-	-	-	-
Full Time Equivalents:						
Permanent Employment	-	-	-1.1	-2.2	-	-
Temporary Employment	-	-	-.1	-.1	-	-
Total FTE's	-	-	-1.2	-2.3	-	-

POSITION DATA:

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Average Salary GS/GM Positions	-	-	-
Average Grade GS/GM Positions	-	-	-

Salaries and Expenses, SBA

13. Hearings and Appeals

			1987		
	1985	1986	SBA	Commerce	Treasury
Amount	$871,221	$1,020,000	$398,000	$546,000	-
Less: G-R-H	-	-35,000	-	-	-
Adjusted	871,221	985,000	398,000	546,000	-
FTE's	20.0	20.7	2.5	11.0	-
Less: G-R-H	-	-.7	-	-	-
Adjusted	20.0	20.0	2.5	11.0	-
Positions	21	18	8	10	-

Highlight

Under the Administration's proposal, the size appeals function of this activity would be transferred to the Department of Commerce. The proposal tranfers 11 FTE's to the Department of Commerce. Included in their budget is $546,000 for this activity. The request of $398,000 in the budget of the SBA for this activity is for the first quarter of FY 1987, to enable this activity to properly phase-out the untransferred functions. A major portion of the expense will be for terminal leave and severance pay.

The size appeals function of the Office of Hearings and Appeals serves as an independent consolidated entity with fact-finding and decisional authority in Agency adjudicatory proceedings on size appeals issues. Its major objective is that of providing timely, professional and fair informal and formal proceedings and hearings pursuant to the Agency regulations, the Administrative Procedures Act, and all other applicable statutory and case law in both appeals and cases involving initial determinations. This function will support the Procurement and Technical Assistance and Minority Small Business/Capital Ownership Development programs that are proposed to be transferred to the Department of Commerce.

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
HEARINGS & APPEALS

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	764,418	776,000	513,000
Field	-	-	-
11. Total Personnel Comp.	764,418	776,000	513,000
Other Objects:			
12. Personnel Benefits	81,454	86,000	56,000
13. Benefits for Former Pers.	-	-	272,000
21. Travel & Trans. of Persons	5,380	35,000	23,000
22. Transportation of Things	-	-	-
23. Rent, Comm. & Utilities:			
Standard Level User Charges	-	-	-
Rental Payments to Others	-	-	-
Communication Services	-	-	-
24. Printing & Reproduction	3,294	2,000	1,000
25. Other Services	6,988	50,000	33,000
26. Supplies & Materials	9,120	31,000	20,000
31. Equipment	533	40,000	26,000
41. Grants, Subsidies & Contrib.	-	-	-
42. Ins. Claims & Indemnities	-	-	-
43. Interest & Dividends	34	-	-
Total Other Objects	106,803	244,000	431,000
TOTAL OBLIGATIONS	871,221	1,020,000	944,000

EMPLOYMENT DATA:	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	21	-	18	-	18	-
Full Time Equivalents:						
Permanent Employment	18.5	-	18.5	-	12.0	-
Temporary Employment	1.5	-	2.2	-	1.5	-
Total FTE's	20.0	-	20.7	-	13.5	-

POSITION DATA:			
Average Salary GS/GM Positions	38,618	39,568	39,964
Average Grade GS/GM Positions	10.7	10.7	10.7

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
HEARINGS & APPEALS

G-R-H REDUCTIONS & TRANSFER TO COMMERCE

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	-	-26,000	-416,000
Field	-	-	-
11. Total Personnel Comp.	-	-26,000	-416,000
Other Objects:			
12. Personnel Benefits	-	-3,000	-46,000
13. Benefits for Former Pers.	-	-	-
21. Travel & Trans. of Persons	-	-2,000	-19,000
22. Transportation of Things	-	-	-
23. Rent, Comm. & Utilities:			
Standard Level User Charges	-	-	-
Rental Payments to Others	-	-	-
Communication Services	-	-	-
24. Printing & Reproduction	-	-	-1,000
25. Other Services	-	-2,000	-27,000
26. Supplies & Materials	-	-	-16,000
31. Equipment	-	-2,000	-21,000
41. Grants, Subsidies & Contrib.	-	-	-
42. Ins. Claims & Indemnities	-	-	-
43. Interest & Dividends	-	-	-
Total Other Objects	-	-9,000	-130,000
TOTAL OBLIGATIONS	-	-35,000	-546,000

EMPLOYMENT DATA:

	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	-	-	-	-	-10	-
Full Time Equivalents:						
Permanent Employment	-	-	-.6	-	-9.8	-
Temporary Employment	-	-	-.1	-	-1.2	-
Total FTE's	-	-	-.7	-	-11.0	-

POSITION DATA:

Average Salary GS/GM Positions	-	-	-
Average Grade GS/GM Positions	-	-	-

14. Congressional and Legislative Affairs

	1985	1986	1987		
			SBA	Commerce	Treasury
Amount	$494,284	$561,000	$489,000	-	-
Less: G-R-H	-	-21,000	-	-	-
Adjusted	494,284	540,000	489,000	-	-
FTE's	11.9	12.0	3.0	-	-
Less: G-R-H	-	-.5	-	-	-
Adjusted	11.9	11.5	3.0	-	-
Positions	13	12	12	-	-

Highlight

Under the Administration's proposal, this activity of the SBA would be abolished. Funding is requested for the first quarter of FY 1987, to enable the activity to properly phase-out operations. A major portion of the expense will be for terminal leave and severance pay.

It is felt that both the Department of the Treasury and the Department of Commerce have sufficient resources devoted to a "Congressional and Legislative Affairs" activity, and would be able to provide the continuance of services needed for any SBA programs that will be transferred.

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
CONGRESSIONAL & LEGISLATIVE AFFAIRS

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	426,409	470,000	124,000
Field	-	-	-
11. Total Personnel Comp.	426,409	470,000	124,000
Other Objects:			
12. Personnel Benefits	42,674	53,000	13,000
13. Benefits for Former Pers.	-	-	343,000
21. Travel & Trans. of Persons	10,287	12,000	3,000
22. Transportation of Things	-	-	-
23. Rent, Comm. & Utilities:			
Standard Level User Charges	-	-	-
Rental Payments to Others	-	-	-
Communication Services	-	-	-
24. Printing & Reproduction	69	15,000	4,000
25. Other Services	11,738	5,000	1,000
26. Supplies & Materials	2,518	5,000	1,000
31. Equipment	588	1,000	-
41. Grants, Subsidies & Contrib.	-	-	-
42. Ins. Claims & Indemnities	-	-	-
43. Interest & Dividends	1	-	-
Total Other Objects	67,875	91,000	365,000
TOTAL OBLIGATIONS	494,284	561,000	489,000

EMPLOYMENT DATA:	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	13	-	12	-	12	-
Full Time Equivalents:						
Permanent Employment	11.1	-	12.0	-	3.0	-
Temporary Employment	.8	-	-	-	-	-
Total FTE's	11.9	-	12.0	-	3.0	-

POSITION DATA:			
Average Salary GS/GM Positions	34,386	35,818	36,176
Average Grade GS/GM Positions	11.2	11.2	11.2

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
CONGRESSIONAL & LEGISLATIVE AFFAIRS

G-R-H REDUCTIONS

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	-	-19,000	-
Field	-	-	-
11. Total Personnel Comp.	-	-19,000	-
Other Objects:			
12. Personnel Benefits	-	-2,000	-
13. Benefits for Former Pers.	-	-	-
21. Travel & Trans. of Persons	-	-	-
22. Transportation of Things	-	-	-
23. Rent, Comm. & Utilities:			
Standard Level User Charges	-	-	-
Rental Payments to Others	-	-	-
Communication Services	-	-	-
24. Printing & Reproduction	-	-	-
25. Other Services	-	-	-
26. Supplies & Materials	-	-	-
31. Equipment	-	-	-
41. Grants, Subsidies & Contrib.	-	-	-
42. Ins. Claims & Indemnities	-	-	-
43. Interest & Dividends	-	-	-
Total Other Objects	-	-2,000	-
TOTAL OBLIGATIONS	-	-21,000	-

EMPLOYMENT DATA:	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	-	-	-	-	-	-
Full Time Equivalents:						
Permanent Employment	-	-	-.5	-	-	-
Temporary Employment	-	-	-	-	-	-
Total FTE's	-	-	-.5	-	-	-

POSITION DATA:			
Average Salary GS/GM Positions	-	-	-
Average Grade GS/GM Positions	-	-	-

15. Executive Direction and Field Administration

	1985	1986	1987		
			SBA	Commerce	Treasury
Amount	$34,121,502	$31,064,000	$19,840,000	$380,000	$4,702,000
Less: G-R-H	-	-902,000	-	-	-
Adjusted	34,121,502	30,162,000	19,840,000	380,000	4,702,000
FTE'S	760.4	690.0	138.1	6.0	140.0
Less: G-R-H	-	-20.0	-	-	-
Adjusted	760.4	670.0	138.1	6.0	140.0
Positions	651	650	507	6	137

Highlight

Under the Administration's proposal, some of the functions of this activity would be transferred to the Department of the Treasury or the Department of Commerce. The proposal is for 6 FTE's for the size standards function to be transferred to the Department of Commerce. Included in their budget request is $380,000 for this activity. Also proposed is the transfer of 140 FTE's for the field administration functions to the Department of the Treasury. Included in their budget request is $4,702,000 for this activity. The budget request of the SBA is for $19,840,000 for this activity, to enable them to properly phase-out the untransferred functions. A major portion of these expenses will be for terminal leave and severance pay.

The size standards function is responsible for developing and updating the size standards utilized by the agency in determining eligibility to its programs. This fuction will support the Procurement and Technical Assistance and Minority Small Business/Capital Ownership Development programs that are proposed to be transferred to the Department of Commerce.

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
EXECUTIVE DIRECTION & FIELD ADMINISTRATION

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	1,323,422	1,438,000	576,000
Field	19,914,484	19,274,000	7,214,000
11. Total Personnel Comp.	21,237,906	20,712,000	7,790,000
Other Objects:			
12. Personnel Benefits	2,783,652	2,812,000	844,000
13. Benefits for Former Pers.	17,338	-	12,911,000
21. Travel & Trans. of Persons	1,803,006	906,000	372,000
22. Transportation of Things	98,371	115,000	46,000
23. Rent, Comm. & Utilities:			
Standard Level User Charges	-	-	-
Rental Payments to Others	3,468,435	2,375,000	1,093,000
Communication Services	1,361,177	2,585,000	1,189,000
24. Printing & Reproduction	227,769	191,000	78,000
25. Other Services	1,363,136	546,000	250,000
26. Supplies & Materials	817,793	603,000	247,000
31. Equipment	941,011	219,000	102,000
41. Grants, Subsidies & Contrib.	-	-	-
42. Ins. Claims & Indemnities	1,465	-	-
43. Interest & Dividends	443	-	-
Total Other Objects	12,883,596	10,352,000	17,132,000
TOTAL OBLIGATIONS	34,121,502	31,064,000	24,922,000

EMPLOYMENT DATA:	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	29	622	27	623	27	623
Full Time Equivalents:						
Permanent Employment	27.4	666.9	30.6	629.2	12.2	259.8
Temporary Employment	3.2	62.9	2.6	27.6	.7	11.4
Total FTE's	30.6	729.8	33.2	656.8	12.9	271.2

POSITION DATA:			
Average Salary GS/GM Positions	27,446	28,667	28,954
Average Grade GE/GM Positions	7.7	7.7	7.7

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
EXECUTIVE DIRECTION & FIELD ADMINISTRATION

G-R-H REDUCTIONS & TRANSFER TO COMMERCE

	FY 1985 ACTUAL	FY 1986 ESTIMATE	1987 ESTIMATE
Personnel Compensation:			
Central Office	-	-42,000	-276,000
Field	-	-559,000	-
11. Total Personnel Comp.	-	-601,000	-276,000
Other Objects:			
12. Personnel Benefits	-	-82,000	-30,000
13. Benefits for Former Pers.	-	-	-
21. Travel & Trans. of Persons	-	-26,000	-9,000
22. Transportation of Things	-	-3,000	-
23. Rent, Comm. & Utilities:			
Standard Level User Charges	-	-	-
Rental Payments to Others	-	-69,000	-24,000
Communication Services	-	-75,000	-26,000
24. Printing & Reproduction	-	-5,000	-2,000
25. Other Services	-	-16,000	-5,000
26. Supplies & Materials	-	-18,000	-6,000
31. Equipment	-	-7,000	-2,000
41. Grants, Subsidies & Contrib.	-	-	-
42. Ins. Claims & Indemnities	-	-	-
43. Interest & Dividends	-	-	-
Total Other Objects	-	-301,000	-104,000
TOTAL OBLIGATIONS	-	-902,000	-380,000

EMPLOYMENT DATA:	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	-	-	-	-	-6	-
Full Time Equivalents:						
Permanent Employment	-	-	-.8	-18.3	-6.0	-
Temporary Employment	-	-	-.1	-.8	-	-
Total FTE's	-	-	-.9	-19.1	-6.0	-

POSITION DATA:			
Average Salary GS/GM Positions	-	-	-
Average Grade GS/GM Positions	-	-	-

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
EXECUTIVE DIRECTION & FIELD ADMINISTRATION

TRANSFER TO TREASURY

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	-	-	-
Field	-	-	-2,879,000
11. Total Personnel Comp.	-	-	-2,879,000
Other Objects:			
12. Personnel Benefits	-	-	-316,000
13. Benefits for Former Pers.	-	-	-
21. Travel & Trans. of Persons	-	-	-181,000
22. Transportation of Things	-	-	-23,000
23. Rent, Comm. & Utilities:			
Standard Level User Charges	-	-	-
Rental Payments to Others	-	-	-475,000
Communication Services	-	-	-517,000
24. Printing & Reproduction	-	-	-38,000
25. Other Services	-	-	-109,000
26. Supplies & Materials	-	-	-120,000
31. Equipment	-	-	-44,000
41. Grants, Subsidies & Contrib.	-	-	-
42. Ins. Claims & Indemnities	-	-	-
43. Interest & Dividends	-	-	-
Total Other Objects	-	-	-1,823,000
TOTAL OBLIGATIONS	-	-	-4,702,000

EMPLOYMENT DATA:

	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	-	-	-	-	-	-137
Full Time Equivalents:						
Permanent Employment	-	-	-	-	-	-134.1
Temporary Employment	-	-	-	-	-	-5.9
Total FTE's	-	-	-	-	-	-140.0

POSITION DATA:

Average Salary GS/GM Positions	-	-	-
Average Grade GS/GM Positions	-	-	-

Salaries and Expenses, SBA

White House Conference on Small Business

			1987		
	1985	1986	SBA	Commerce	Treasury
Amount	$1,044,382	$3,840,000	$176,000	-	-
Less: G-R-H	-	-116,000	-	-	-
Adjusted	1,044,382	3,364,000	176,000	-	-
FTE's	16.1	39.6	2.0	-	-
Less: G-R-H	-	-1.3	-	-	-
Adjusted	16.1	38.3	2.0	-	-
Positions	-	-	-	-	-

Highlight

On May 8, 1984, President Reagan signed into law an Act (P.L. 98-276) which calls for a National White House Conference on Small Business. Statutory authority is given to all Federal agencies to provide necessary assistance and support for the Conference, and authorization is given to enter into contracts with public agencies, private organizations, and academic institutions to carry out provisions of this Act. The President is authorized to appoint and compensate an Executive Director and such other directors and personnel for the Conference as he deems advisable. The final conferences will terminate in FY 1986, with residual follow-up work completed within the first quarter of FY 1987. No new appropriation is requested for FY 1987, however costs will be incurred of $176,000 out of FY 1986 carry-over balances.

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
WHITE HOUSE CONFERENCE ON SMALL BUSINESS

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	503,556	1,252,000	65,000
Field	-	-	-
11. Total Personnel Comp.	503,556	1,252,000	65,000
Other Objects:			
12. Personnel Benefits	71,365	178,000	9,000
13. Benefits for Former Pers.	-	-	-
21. Travel & Trans. of Persons	85,642	460,000	23,000
22. Transportation of Things	10,879	80,000	4,000
23. Rent, Comm. & Utilities:			
Standard Level User Charges	96,427	222,000	11,000
Rental Payments to Others	6,160	124,000	6,000
Communication Services	40,740	249,000	13,000
24. Printing & Reproduction	2,179	110,000	5,000
25. Other Services	86,428	714,000	36,000
26. Supplies & Materials	16,038	51,000	2,000
31. Equipment	124,968	40,000	2,000
41. Grants, Subsidies & Contrib.	-	-	-
42. Ins. Claims & Indemnities	-	-	-
43. Interest & Dividends	-	-	-
Total Other Objects	540,826	2,228,000	111,000
TOTAL OBLIGATIONS	1,044,382	3,480,000	176,000

EMPLOYMENT DATA:	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	-	-	-	-	-	-
Full Time Equivalents:						
Permanent Employment	-	-	-	-	-	-
Temporary Employment	16.1	-	39.6	-	2.0	-
Total FTE's	16.1	-	39.6	-	2.0	-

POSITION DATA:			
Average Salary GS/GM Positions	-	-	-
Average Grade GS/GM Positions	-	-	-

SMALL BUSINESS ADMINISTRATION
FY 1987 CONGRESSIONAL BUDGET SUBMISSION
WHITE HOUSE CONFERENCE ON SMALL BUSINESS
G-R-H REDUCTIONS

	FY 1985 ACTUAL	FY 1986 ESTIMATE	FY 1987 ESTIMATE
Personnel Compensation:			
Central Office	-	-42,000	-
Field	-	-	-
11. Total Personnel Comp.	-	-42,000	-
Other Objects:			
12. Personnel Benefits	-	-6,000	-
13. Benefits for Former Pers.	-	-	-
21. Travel & Trans. of Persons	-	-15,000	-
22. Transportation of Things	-	-3,000	-
23. Rent, Comm. & Utilities:			
Standard Level User Charges	-	-7,000	-
Rental Payments to Others	-	-4,000	-
Communication Services	-	-8,000	-
24. Printing & Reproduction	-	-4,000	-
25. Other Services	-	-24,000	-
26. Supplies & Materials	-	-2,000	-
31. Equipment	-	-1,000	-
41. Grants, Subsidies & Contrib.	-	-	-
42. Ins. Claims & Indemnities	-	-	-
43. Interest & Dividends	-	-	-
Total Other Objects	-	-74,000	-
TOTAL OBLIGATIONS	-	-116,000	-

EMPLOYMENT DATA:	C.O.	FIELD	C.O.	FIELD	C.O.	FIELD
Permanent Positions	-	-	-	-	-	-
Full Time Equivalents:						
Permanent Employment	-	-	-	-	-	-
Temporary Employment	-	-	-1.3	-	-	-
Total FTE's	-	-	-1.3	-	-	-

POSITION DATA:			
Average Salary GS/GM Positions	-	-	-
Average Grade GS/GM Positions	-	-	-

SMALL BUSINESS ADMINISTRATION

REVOLVING FUNDS

The Small Business Administration is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to its revolving funds, and in accord with the law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for the "Disaster Loan Fund", the "Business Loan and Investment Fund", the "Lease Guarantees Revolving Fund", the "Pollution Control Equipment Contract Guarantees Revolving Fund", and the "Surety Bond Guarantees Revolving Fund".

SMALL BUSINESS ADMINISTRATION

BUSINESS LOAN AND INVESTMENT FUND

For additional capital for the "Business Loan and Investment Fund", [$66,000,000], to remain available without fiscal year limitation [; and for additional capital for new direct loan obligations to be incurred by the "Business Loan and Investment Fund", $101,000,000, to remain available without fiscal year limitation.] $2,521,896,000

During fiscal year 1987, no new direct loan obligations and no new guaranteed loan commitments may be made, except for direct loans to purchase defaulted guaranteed loans.

(72 Stat. 384, as amended; 72 Stat. 689, as amended; 98 Stat. 1553, the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriation Act, 1986.)

SMALL BUSINESS ADMINISTRATION
BUSINESS LOAN AND INVESTMENT FUND

Program and Financing (in thousands of dollars)

		Obligations		
	73-4154-0-3-376	1985 Actual	1986 Estimate	1987 Estimate
	Program by activities:			
	Total capital investments....................	173,360	101,000	2,314,596
	Defaults on guaranteed loans.................	538,124	505,000	465,000
	Administrative commitments, start of year....	62,501	55,741	31,741
	Administrative commitments, end of year......	-55,741	-31,741	-
	Adjustment in prior-year commitments.........	-20,745	-6,000	-
	Total capital outlays: Loan programs......	697,499	624,000	2,811,337
	Operating costs:			
	(a) Interest expense to Treasury...........	179,203	175,000	169,000
	(b) Interest expense on participation certificates..........................	7,269	7,300	7,300
	(c) Business Development Expense............	12,339	17,000	-
	(d) Other expenses..........................	205,727	201,000	193,000
	Total opearting expenses...........	404,538	400,300	369,300
10.00	Total obligations..................	1,102,037	1,024,300	3,180,637

SMALL BUSINESS ADMINISTRATION
BUSINESS LOAN AND INVESTMENT FUND

Program and Financing (in thousands of dollars)-Continued

	73-4154-0-3-376	1985 Actual	1986 Estimate	1987 Estimate
	Program by activites:			
	Financing:			
	Offsetting collections from:			
11.00	Federal funds: Investment income from participation sales fund................	-19,477	-20,000	-14,000
	Non-Federal sources:			
	Financial assistance program:			
14.00	Loan repayments: Financing programs.......	-284,231	-269,000	-288,000
14.00	Loan repayments: Investment programs......	-20,871	-21,000	-21,000
14.00	Interest income: Financing programs.......	-302,067	-184,000	-175,000
14.00	Interest income: Investment programs......	-25,229	-20,000	-21,000
14.00	Other income............................	-104,076	-102,000	-77,000
	Unobligated balance available, start of year: Fund balance			
21.98	Committed................................	-62,501	-55,741	-31,741
21.98	Uncommitted..............................	-69,617	-240,636	-23,336
22.98	Unobligated balance transferred to other accounts: Participation sales fund (principal collections from pooled obligations): Fund balance....	1,256	-	-

SMALL BUSINESS ADMINISTRATION
BUSINESS LOAN AND INVESTMENT FUND

Program and Financing (in thousands of dollars)-Continued

	73-4154-0-3-376	1985 Actual	1986 Estimate	1987 Estimate
	Unobligated balance available, end of year: Fund balance:			
24.98	Committed	55,741	31,741	-
24.98	Uncommitted	240,636	23,336	23,336
39.00	Budget Authority, net	511,601	167,000	2,552,896
40.00	Appropriation	484,000	167,000	2,552,896
42.00	Appropriation transferred from other accounts	27,601	-	-
43.00	Appropriation (adjusted)	511,601	167,000	2,552,896
	Relation of obligations to outlays:			
71.00	Obligations incurred, net	346,086	408,300	2,584,637
72.10	Receivables in excess of obligations, start of year	-14,419	-	-
72.98	Obligated balance, start of year: Fund balance:	-	57,068	44,368
74.98	Obligated balance, end of year: Fund balance	-57,068	-44,368	-
90.00	Outlays	274,599	421,000	2,629,005

SMALL BUSINESS ADMINISTRATION
BUSINESS LOAN AND INVESTMENT FUND

Narrative Statement on Program and Performance

All direct and guaranteed loan programs are proposed for termination. The existing portfolio would be transferred to the Department of the Treasury for liquidation.

NOTE: Appropriation language includes the effects of the sequestration under P.L. 99-177. These effects are not reflected in the enclosed budget schedules.

SMALL BUSINESS ADMINISTRATION
BUSINESS LOAN AND INVESTMENT FUND

Status of Direct Loans (in thousands of dollars)

	73-4154-0-3-376	1985 Actual	1986 Estimate	1987 Estimate
	Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans to the public.....	-	-	-
1112	Unused balance of direct loan limitation expiring..................................	-	-	-
	Obligations exempt from limitation:			
1131	Direct loans to the public................	159,375	119,000	31,741
1132	Defaulted guaranteed loan claims..........	538,124	505,000	465,000
1150	Total direct loan obligations.............	697,499	624,000	496,471
	Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year.................	3,339,701	3,220,466	3,157,466
	Disbursements:			
1231	Direct loan disbursements.................	168,706	128,000	31,741
1232	Disbursements for guarantee loan claims....	436,244	505,000	465,000
1234	Purchase of loan assets from the FFB.......	-	-	2,314,596
	Repayments:			
1251	Repayments and prepayments................	-293,796	-290,000	-309,000
1253	Loan asset sales to the public.............	-	-	-1,163,911
	Adjustments:			
1262	Write-offs for default....................	-359,743	-346,000	-338,000
1264	Other adjustments, net 1/.................	-70,646	-60,000	-60,000
1290	Outstanding, end of year..................	3,220,466	3,157,466	4,097,892

1/ Represents non-cash adjustments including CPC advances, judgements, notes receivable, etc.

	Collections:			
5510	Collections credited to receipt accounts.........	-	-	-1,163,911

SMALL BUSINESS ADMINISTRATION
BUSINESS LOAN AND INVESTMENT FUND

Status of Guaranteed Loans (in thousands of dollars)

	73-4154-0-3-376	1985 Actual	1986 Estimate	1987 Estimate
	Position with respect to appropriation act limitation on commitments:			
2111	Limitation on guaranteed loans made by private lenders............................	-	-	-
2112	Unused balance of limitation expiring..........	-	-	-
2131	Guaranteed loan commitments exempt from limitation................................	2,802,385	3,250,000	-
2150	Total guaranteed loan commitments..............	2,802,385	3,250,000	-
	Cumulative balance of guaranteed loans outstanding:			
2210	Outstanding, start of year..................	8,573,669	8,781,788	9,236,788
	Disbursements:			
2231	Disbursements of new guaranteed loans........	2,496,273	2,800,000	1,400,000
	Repayments:			
2251	Repayments and prepayments..................	-1,772,675	-1,790,000	-1,700,000
	Adjustments:			
2261	Terminations for default that result in direct loans.............................	-476,056	-540,000	-545,000
2264	Other Adjustments, net.......................	-39,423	-15,000	-15,000
2290	Outstanding, end of year....................	8,781,788	9,235,788	8,376,788
	Memorandum:			
2299	U.S. Contingent liability for guaranteed loans outstanding, end of year..................	7,529,187	7,915,900	7,120,000

SMALL BUSINESS ADMINISTRATION
BUSINESS LOAN AND INVESTMENT FUND
LOAN PROGRAM LEVELS (in thousands of dollars)

73-4154-0-3-376	1985 Actual	1986 1/ Estimate	1987 Estimate
Small Business Administration's Share of Direct Loan Levels			
General Business Loans	77,382	-	-
Handicapped Loans	23,635	15,000	-
Economic Opportunity Loans	15,438	25,000	-
Energy Loans	115	-	-
Development Company Loans	4,000	-	-
Veterans Loans	8,634	20,000	-
Minority Enterprise Small Business Investment Company debentures	44,156	41,000	-
Total direct loans	173,360	101,000	-
Small Business Administration's Share of Guaranteed Loan Levels			
General Business Loans	2,315,263	2,650,000	-
Handicapped Loans	834	5,000	-
Economic Opportunity Loans	42,501	60,000	-
Energy Loans	773	15,000	-
Development company loans	307,751	400,000	-
Investment company loans	265,384	250,000	-
Total guaranteed loans	2,932,506	3,380,000	-

1/ Amounts based on 1986 appropriation, excluding G-R-H adjustments.

SMALL BUSINESS ADMINISTRATION
BUSINESS LOAN AND INVESTMENT FUND

Revenue and Expense (in thousands of dollars)

73-4154-0-3-376	1985 Actual	1986 Estimate	1987 Estimate
Financial assistance program:			
Revenue....................................	345,948	326,000	287,000
Expense....................................	-618,140	-992,183	-3,529,141
Net loss, financial assistance program.....	-272,192	-666,183	-3,242,141
Investment company assistance program:			
Revenue....................................	35,576	36,000	36,000
Expense....................................	-38,453	-40,000	-40,000
Net Loss, Investment company assistance program.................................	-2,877	-4,000	-4,000
Net loss for the period.................	-275,069	-670,183	-3,246,141

SMALL BUSINESS ADMINISTRATION
BUSINESS LOAN AND INVESTMENT FUND

Financial Condition (in thousands of dollars)

73-4154-0-3-376	1984 Actual	1985 Actual	1986 Estimate	1987 Estimate
Assets:				
Fund balance with Treasury.........	117,699	353,445	99,445	23,336
Accounts receivable, net..........	354,917	379,696	179,696	-
Advances made.....................	44,752	36,620	36,042	-
Loans receivable, net.............	2,006,069	1,909,426	1,850,426	1,168,922
Acquired security and collateral...	96,174	136,783	140,000	160,289
Other assets......................	323,577	357,661	360,000	380,000
Total assets................	2,943,188	3,173,631	2,665,609	1,732,547
Liabilities:				
Accounts payable including funded accrued liabilities..............	207,437	205,020	200,817	-
Advances received.................	42,052	39,636	39,000	-
Debt issued under borrowing authority:				
Participation certificates outstanding......................	130,177	130,177	130,177	130,177
Principal payments to be applied to redemption of participation certificates..................	-88,390	-89,646	-89,646	-89,646
Total liabilities...........	291,276	285,187	280,348	40,531

SMALL BUSINESS ADMINISTRATION
BUSINESS LOAN AND INVESTMENT FUND

Financial Condition (in thousands of dollars)-Continued

73-4154-0-3-376	1984 Actual	1985 Actual	1986 Estimate	1987 Estimate
Government equity:				
Unexpended budget authority:				
Unobligated balance:				
Committed......................	62,501	55,741	31,741	-
Uncommitted....................	69,617	240,636	23,336	23,336
Undelivered orders:				
Undisbursed direct loan obligations...................	17,352	8,439	-	-
Undisbursed guaranteed loan obligations..................	118,409	220,289	20,289	20,289
Invested capital.................	2,384,033	2,363,339	2,309,895	1,648,391
Total Government equity.......	2,651,912	2,888,444	2,385,261	1,692,016

SMALL BUSINESS ADMINISTRATION

DISASTER LOAN FUND

During fiscal year 1987, no new direct loan obligations may be made.

(72 Stat. 384, as amended; 72 Stat. 689, as amended;
98 Stat. 1553.)

SMALL BUSINESS ADMINISTRATION
BUSINESS LOAN AND INVESTMENT FUND

Financial Condition (in thousands of dollars)-Continued

73-4154-0-3-376	1985 Actual	1986 Estimate	1987 Estimate
Analysis of changes in Government equity:			
Paid-in Capital:			
Opening balance..................	7,025,170	7,536,771	7,703,771
Appropriations..................	511,601	167,000	2,552,896
Closing balance..................	7,536,771	7,703,771	10,256,667
Retained earnings:			
Opening balance..................	-4,373,258	-4,648,327	-5,318,510
Net operating loss...............	-275,069	-670,183	-3,246,141
Closing balance..................	-4,648,327	-5,318,510	-8,564,651
Total Government equity (end of year).............	2,888,444	2,385,261	1,692,016

NOTE: Unfunded contingent liability for outstanding guaranteed loans is as follows: September 30, 1985, $7,529,187 thousand; September 30, 1986, $7,915,900 thousand; and September 30, 1987, $7,120,000 thousand, exclusive of FFB loans.

SMALL BUSINESS ADMINISTRATION
BUSINESS LOAN AND INVESTMENT FUND

Object Classification (in thousands of dollars)

	73-4154-0-3-376	1985 Actual	1986 Estimate	1987 Estimate
25.0	Other Services..............................	186,472	218,000	193,000
33.0	Investments and loans.........................	697,499	624,000	2,811,337
43.0	Interest and dividends........................	218,066	182,300	176,300
99.0	Total obligations.........................	1,102,037	1,024,300	3,180,637

SMALL BUSINESS ADMINISTRATION
DISASTER LOAN FUND

Program and Financing (in thousands of dollars)

		Obligations		
	73-4153-0-3-453	1985 Actual	1986 Estimate	1987 Estimate
	Program by activities:			
	Capital Investment:			
	Physical disaster loans	267,635	500,000	-
	Non-Physical disaster loans	50,719	100,000	-
	Total loan obligations	318,354	600,000	-
	Administrative commitments:			
	Start of year	167,868	83,903	269,903
	End of year	-83,903	-269,903	-
	Adjustment in prior-year commitments	-82,778	-60,000	-
	Total Capital Outlays	319,541	354,000	269,903
	Operating costs, funded:			
	(a) Interest expense to Treasury	174,118	164,000	152,000
	(b) Interest expense on participation certificates	1,326	1,300	1,300
	(c) Other expenses	35,616	40,000	40,000
	Total operating costs, funded	211,060	205,300	193,300
10.00	Total obligations	530,601	559,300	463,203

SMALL BUSINESS ADMINISTRATION
DISASTER LOAN FUND

Program and Financing (in thousands of dollars)-Continued

	73-4153-0-3-453	Cost and Obligations 1985 Actual	 1986 Estimate	 1987 Estimate
	Financing:			
	Offsetting collections from:			
11.00	Federal funds: Investment income from participation sales fund..................	-2,586	-2,000	-2,000
	Non-Federal sources:			
14.00	Loan repayments...........................	-581,564	-540,000	-501,000
14.00	Interest income...........................	-219,753	-203,000	-189,000
14.00	Other income..............................	-11,182	-10,000	-10,000
	Unobligated balance, start of year: Fund balance			
21.98	Committed.................................	-167,868	-83,903	-269,903
21.98	Uncommitted...............................	-1,073,310	-1,369,055	-1,288,755 1/
22.98	Unobligated balance transferred to salaries and expenses fund.................	72,400	90,000	-
22.98	Unobligated balance transferred to participation sales fund (principal collections from pooled obligations) Fund balance..............................	304	-	-
	Unobligated balance, end of year: Fund balance:			
24.98	Committed.................................	83,903	269,903	-
24.98	Uncommitted...............................	1,369,055	1,288,755 1/	1,797,455 1/
39.00	Budget authority........................	-	-	-

1/ Does not include the transfer of $1.2 billion of this balance to a miscellaneous receipt account in the Department of the Treasury on 1/28/86.

SMALL BUSINESS ADMINISTRATION
DISASTER LOAN FUND

Program and Financing (in thousands of dollars)-Continued

73-4153-0-3-453		Obligations 1985 Actual	 1986 Estimate	 1987 Estimate
	Relation of obligations to outlays:			
71.00	Obligations incurred, net..................	-284,484	-195,700	-238,797
72.98	Obligated balance, start of year: Fund balance............................	128,615	117,201	67,501
74.98	Obligated balance, end of year: Fund balance............................	-117,201	-67,501	-
90.00	Outlays............................	-273,070	-146,000	-171,296

SMALL BUSINESS ADMINISTRATION
DISASTER LOAN FUND

Status of Direct Loans (in thousands of dollars)

	73-4153-0-3-453	1985 Actual	1986 Estimate	1987 Estimate
	Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans to the public.....	-	-	-
1112	Unused, balance of direct limitation expiring................................	-	-	-
1131	Direct loans to the public..................	319,541	354,000	269,903
1150	Total direct loan obligations..............	319,541	354,000	269,903
	Cummulative balance of direct loans outstanding:			
1210	Outstanding, start of year..................	4,959,515	4,556,586	4,282,586
	Disbursements:			
1231	Direct loan disbursements...................	319,449	394,000	270,000
1251	Repayments: Repayments and prepayments.......	-577,866	-540,000	-501,000
1253	Loan asset sales to the public...............	-	-	-1,100,000
1262	Adjustments: Write-offs for default.........	-138,530	-122,000	-114,000
1264	Other Adjustments, net 1/......	-5,982	-6,000	-6,000
1290	Outstanding, end of year....................	4,556,586	4,282,586	2,831,586
	Collections:			
5510	Collections credited to receipt accounts.......	-	-	-1,100,000

1/ Represents non-cash adjustments including CPC advances, judgements, notes receivable, etc.

SMALL BUSINESS ADMINISTRATION

SURETY BOND GUARANTEES REVOLVING FUND

For additional capital for the "Surety bond guarantees revolving fund", authorized by the Small Business Investment Act, as amended, $17,425,000 [$7,000,000], to remain available without fiscal year limitation.

(72 Stat. 384, as amended; 72 Stat. 689, as amended; 98 Stat. 1553, the Department of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriation Act, 1986.)

SMALL BUSINESS ADMINISTRATION
DISASTER LOAN FUND

Status of Guaranteed Loans (in thousands of dollars)

	73-4153-0-3-453	1985 Actual	1986 Estimate	1987 Estimate
	Cumulative balance of guaranteed loans outstanding			
2210	Outstanding, start of year....................	4,031	3,641	3,291
2251	Repayments: Repayments and prepayments......	-390	-350	-350
2290	Outstanding, end of year....................	3,641	3,291	2,941
	Memorandum:			
2299	U.S. Contingent liability for guaranteed loans outstanding, end of year..................	3,199	2,900	2,600

The disaster loan program is proposed for termination. The existing portfolio would be transferred to Department of the Treasury for liquidation.

SMALL BUSINESS ADMINISTRATION
DISASTER LOAN FUND

Revenue and Expense (in thousands of dollars)

73-4153-0-3-453	1985 Actual	1986 Estimate	1987 Estimate
Revenue	223,545	215,000	201,000
Expense	-284,111	-343,099	-1,463,203
Net loss for the year	-60,566	-128,099	-1,262,203

SMALL BUSINESS ADMINISTRATION
DISASTER LOAN FUND

Financial Condition (in thousands of dollars)

73-4153-0-3-453	1984 Actual	1985 Actual	1986 Estimate	1987 Estimate
Assets:				
Fund balance with Treasury	1,369,793	1,570,159	1,626,159	1,797,455
Accounts receivable (net).............	117,165	102,813	102,000	-
Advances made..........................	526	-	373	-
Loans receivable (net).................	4,828,949	4,473,688	4,187,586	2,768,586
Acquired security and collateral.......	13,548	22,198	24,000	-
Other assets...........................	55,961	57,406	58,000	-
Total assets....................	6,385,942	6,226,264	5,998,118	4,566,041
Liabilities:				
Accounts payable including funded accrued liabilities..................	198,498	176,992	166,874	-
Advances received......................	7,807	2,929	3,000	-
Participation certificates outstanding.........................	25,787	25,787	25,787	25,787
Principal payments to be applied to redemption of participation certificates........................	-11,933	-12,237	-12,237	-12,237
Total liabilities..............	220,159	193,471	183,424	13,550

1/ Does not include the transfer of $1.2 billion of this balance to a miscellaneous receipt account in the Department of the Treasury on 1/28/86.

SMALL BUSINESS ADMINISTRATION
DISASTER LOAN FUND

Financial Condition (in thousands of dollars)-Continued

73-4153-0-3-453	1984 Actual	1985 Actual	1986 Estimate	1987 Estimate
Government Equity:				
Unexpended budget authority:				
Unobligated balance Committed...	167,868	83,903	269,903	
Uncommitted	1,073,310	1,369,055	1,288,755 1/	1,797,455 1/
Undelivered orders:				
Undisbursed loan obligations	40,001	40,093	-	-
Invested capital	4,884,604	4,539,742	4,256,036	2,755,036
Total Government equity	6,165,783	6,032,793	5,814,694	4,552,491
Analysis of changes in Government equity:				
Paid-in capital:				
Opeing balance		8,631,909	8,559,509	8,469,509
Transfer to Salaries and Expenses		-72,400	-90,000	-
Closing balance		8,559,509	8,469,509	8,469,509
Retained income				
Opening balance		-2,466,126	-2,526,716	-2,654,815
Transactions:				
Net operating loss		-60,566	-128,099	-1,262,203
Disaster relief credits		-24	-	-
Closing balance		-2,526,716	-2,654,815	-3,917,018
Total Government equity (end of year)		6,032,793	5,814,694	4,552,491

1/ Does not include the transfer of $1.2 billion of this balance to a miscellaneous receipt account in the Department of the Treasury on 1/28/86.

SMALL BUSINESS ADMINISTRATION
DISASTER LOAN FUND

Object Classification (in thousands of dollars)

	73-4153-0-3-453	1985 Actual	1986 Estimate	1987 Estimate
25.0	Other Services................................	35,616	40,000	40,000
33.0	Investments and loans........................	319,541	354,000	269,903
43.0	Interest and dividends.......................	175,444	165,300	153,300
99.9	Total obligations........................	530,601	559,300	463,203

SMALL BUSINESS ADMINISTRATION
SURETY BOND GUARANTEES REVOLVING FUND

Program and Financing (in thousands of dollars)

	73-4156-0-3-376	1985 Actual	1986 Estimate	1987 Estimate
	Program by activites			
	Operating expenses:			
	(a) Reserve for losses........................	30,890	25,000	22,000
	(b) Other expenses...........................	3	100	100
10.00	Total Obligations....................	30,893	25,100	22,100
	Financing:			
	Offsetting collections from: Non-Federal Sources:			
14.00	Fee Income.................................	-8,931	-10,000	-
14.00	Recoveries of claims paid.................	-4,050	-4,500	-4,000
21.98	Unobligated balance available, start of year: Fund balance..............................	-13,218	-4,216	-616
24.98	Unobligated balance available, end of year: Fund balance..............................	4,216	616	516
40.00	Budget authority (appropriation)......	8,910	7,000	18,000
	Relation of obligations to outlays:			
71.00	Obligations incurred, net.....................	17,912	10,600	18,100
72.98	Obligated balance, start of year: Fund balance..............................	9,726	20,335	20,935
74.98	Obligated balance, end of year: Fund balance..............................	-20,335	-20,935	-18,035
90.00	Outlays.......................................	7,303	10,000	21,000

SMALL BUSINESS ADMINISTRATION

SURETY BOND GUARANTEES REVOLVING FUND

Narrative Statement on Program and Performance

The surety bond guarantee program is proposed for termination. The existing portfolio would be transferred to the Department of the Treasury for liquidation.

NOTE: Appropriation language includes the effects of the sequestration under P.L. 99-177. These effects are not reflected in the enclosed budget schedules.

SMALL BUSINESS ADMINISTRATION
SURETY BOND GUARANTEES REVOLVING FUND

Revenue and Expense (in thousands of dollars)

73-4156-0-3-376	1985 Actual	1986 Estimate	1987 Estimate
Revenue......................................	12,981	14,500	4,000
Expense......................................	-30,893	-25,100	-22,100
Net loss for the year.....................	-17,912	-10,600	-18,100

SMALL BUSINESS ADMINISTRATION
SURETY BOND GUARANTEES REVOLVING FUND

Financial Condition (in thousands of dollars)

73-4156-0-3-376	1984 Actual	1985 Actual	1986 Estimate	1987 Estimate
Assets:				
Fund balance with Treasury.........	22,944	24,551	12,854	9,854
Accounts receivable................	1,680	2,296	2,296	1,296
Total assets.......................	24,624	26,847	15,150	11,150
Liabilities:				
Accounts payable and accrued liabilities......................	11,406	22,631	14,534	10,634
Government equity:				
Unobligated balance................	13,218	4,216	616	516

SMALL BUSINESS ADMINISTRATION
SURETY BOND GUARANTEES REVOLVING FUND

Financial Condition (in thousands of dollars)-Continued

73-4156-0-3-376	1985 Actual	1986 Estimate	1987 Estimate
Analysis of changes in Government equity:			
Paid-in capital:			
Opening balance...........................	210,170	219,080	226,080
Appropriations............................	8,910	7,000	18,000
Closing balance...........................	219,080	226,080	244,080
Retained earnings:			
Opening balance...........................	-196,952	-214,864	-225,464
Net loss..................................	-17,912	-10,600	-18,100
Closing balance...........................	-214,864	-225,464	-243,564
Total Government equity (end of year)....	4,216	616	516

SMALL BUSINESS ADMINISTRATION
LEASE GUARANTEES REVOLVING FUND

Program and Financing (in thousands of dollars)

	73-4157-0-3-376	1985 Actual	1986 Estimate	1987 Estimate
	Program by activities:			
	Operating expenses:			
	(a) Rental Payments on Defaulted Leases	906	1,000	1,000
	(b) Interest expense on escrow deposits and mortgage notes	98	100	100
	(c) Other expenses	170	200	200
10.00	Total obligations	1,174	1,300	1,300
	Financing:			
	Offsetting collections from: Non-Federal sources:			
14.00	Rental income	-295	-300	-300
14.00	Other income	-197	-200	-200
21.98	Unobligated balance available, start of year: Fund balance	-4,875	-4,193	-3,393
24.98	Unobligated balance available, end of year: Fund balance	4,193	3,393	2,593
40.00	Budget authority (appropriation)	-	-	-

SMALL BUSINESS ADMINISTRATION
LEASE GUARANTEES REVOLVING FUND

Program and Financing (in thousands of dollars)-Continued

	73-4157-0-3-376	1985 Actual	1986 Estimate	1987 Estimate
	Relation of obligations to outlays:			
71.00	Obligations incurred, net....................	682	800	800
72.98	Obligated balance, start of year:			
	Fund balance...............................	673	617	617
74.98	Obligated balance, end of year:			
	Fund balance...............................	-617	-617	-617
90.00	Outlays....................................	738	800	800

SMALL BUSINESS ADMINISTRATION

LEASE GUARANTEES REVOLVING FUND

Narrative Statement on Program and Performance

The lease guarantees program is limited to paying claims resulting from defaulted leases approved in prior years. This program is proposed to be transferred to the Department of the Treasury.

SMALL BUSINESS ADMINISTRATION

POLLUTION CONTROL EQUIPMENT CONTRACT GUARANTEES REVOLVING FUND

For additional capital for the "Pollution control equipment contract guarantee revolving fund", authorized by the Small Business Investment Act, as amended, $21,000,000 to remain available without fiscal year limitation. During fiscal year 1987, no new guarantee loan commitments may be made. (72 Stat. 384, as amended; 72 Stat. 689, as amended; 98 Stat. 1553, the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriation Act, 1986.)

SMALL BUSINESS ADMINISTRATION
LEASE GUARANTEES REVOLVING FUND

Revenue and Expense (in thousands of dollars)

73-4157-0-3-376	1985 Actual	1986 Estimate	1987 Estimate
Revenue	325	500	500
Expense	-1,081	-1,300	-1,300
Net loss for year	-756	-800	-800

SMALL BUSINESS ADMINISTRATION
LEASE GUARANTEES REVOLVING FUND

Financial Condition (in thousands of dollars)

73-4157-0-3-376	1984 Actual	1985 Actual	1986 Estimate	1987 Estimate
Assets:				
Fund balance with Treasury.........	5,548	4,810	4,010	3,210
Accounts receivable................	12	8	8	8
Advances made......................	13	20	20	20
Other assts........................	605	531	531	531
Total assets.....................	6,178	5,369	4,569	3,769
Liabilities:				
Accounts payable and accrued liabilites.......................	259	230	220	220
Advances received..................	439	415	425	425
Total liabilities................	698	645	645	645
Government equity:				
Unobligated balance................	4,875	4,193	3,393	2,593
Invested capital...................	605	531	531	531
Total Government equity..........	5,480	4,724	3,924	3,124

SMALL BUSINESS ADMINISTRATION
LEASE GUARANTEES REVOLVING FUND

Financial Condition (in thousands of dollars)-Continued

73-4157-0-3-376	1985 Actual	1986 Estimate	1987 Estimate
Analysis of changes in government equity:			
Paid-in capital:			
Opening balance..............................	30,592	30,592	30,592
Appropriation................................	-	-	-
Closing balance..............................	30,592	30,592	30,592
Retained earnings:			
Opening balance..............................	-25,112	-25,868	-26,668
Net loss.....................................	-756	-800	-800
Closing balance..............................	-25,868	-26,668	-27,468
Total Government equity (end of year)....	4,724	3,924	3,124

SMALL BUSINESS ADMINISTRATION
LEASE GUARANTEES REVOLVING FUND

Object Classification (in thousands of dollars)

	73-4157-0-3-376	1985 Actual	1986 Estimate	1987 Estimate
25.0	Other services..................................	1,076	1,200	1,200
43.0	Interest and dividends..........................	98	100	100
99.9	Total obligations............................	1,174	1,300	1,300

SMALL BUSINESS ADMINISTRATION
POLLUTION CONTROL EQUIPMENT CONTRACT GUARANTEE REVOLVING FUND

Program and Financing (in thousands of dollars)

	73-4147-0-3-376	1985 Actual	1986 Estimate	1987 Estimate
	Program by activities:			
	Operating expenses:			
	(a) Reserve for losses	13,000	13,000	15,000
	(b) Program Expenses	-	500	-
	(c) Other Expenses	1,061	5,000	5,000
10.00	Total Obligations	14,061	18,500	20,000
	Financing:			
	Offsetting collections from:			
	Non-Federal sources:			
14.00	Fee Income	-110	-200	-
14.00	Investment income	-1,181	-	-
14.00	Recovery of claims paid	-2,748	-3,000	-3,000
14.00	Other income	-	-2,000	-2,000
21.98	Unobligated balance available, start of year: Fund balance	-25,544	-15,522	-2,222
24.98	Unobligated balance available, end of year: Fund balance	15,522	2,222	8,222
40.00	Budget authority (appropriation)	-	-	21,000

SMALL BUSINESS ADMINISTRATION

POLLUTION CONTROL EQUIPMENT CONTRACT GUARANTEES REVOLVING FUND

Narrative Statment on Program and Performance

The pollution control guaranteed loan program is proposed for termination. The existing portfolio would be transferred to the Department of the Treasury.

BIOGRAPHY OF ROBERT A. TURNBULL

Mr. SMITH. I understand that SBA soon will have a new administrator. I guess he hasn't been appointed yet, but the present administrator, Mr. Jim Sanders, is leaving, as I understand it, the first of April. Today we have the Associate Deputy Administrator, Mr. Robert Turnbull, who will present the budget request. Since this is your first appearance we shall insert your biographical sketch in the record at this point.

[The biographical sketch follows:]

SBA **Biography**

U.S. Small Business Administration

Robert A. Turnbull
Associate Deputy
Administrator
U.S. Small Business
Administration

Robert A. Turnbull, a Washington, D.C. based consultant, was appointed Associate Deputy Administrator of the U.S. Small Business Administration on May 27, 1981.

Immediately prior to his appointment, Mr. Turnbull was a White House consultant assigned to SBA. He also served as the deputy team captain of President Reagan's SBA Transition Team.

Mr. Turnbull's duties include general management of the Agency and liaison with the White House and the Congress. He has recently been appointed to serve on the President's Council on Management Improvement. Mr. Turnbull also works with the Administrator in formulating policy and developing direction to Agency managers. He is in charge of the Agency's offices of Administration, Personnel, Public Communications, Equal Opportunity and Compliance, Program Analysis and Review, and Comptroller.

Mr. Turnbull was the national deputy director of the Voters for Reagan-Bush Organization and served as a consultant to the Reagan for President Committee during the 1980 campaign.

A native of Manchester, New Hampshire, Mr. Turnbull, 34, received a bachelor of arts degree summa cum laude in political science and history from the University of New Hampshire.

While at the University, he was inducted into the Phi Beta Kappa, Phi Kappa Phi, Pi Gamma Mu, and Pi Sigma Alpha scholastic honor societies.

Mr. Turnbull, who is single, is the son of Dorothy E. Turnbull of Manchester. He lives in Arlington, Virginia.

January 1985

Mr. TURNBULL. Thank you very much, Mr. Chairman. With your permission, Mr. Chairman, I would like to summarize my statement, and submit my full statement for the record.

Mr. SMITH. All right.

GENERAL STATEMENT

Mr. TURNBULL. My testimony today revolves around the agency's fiscal year 1987 budget request. Accompanying me are Harry S. Carver, Comptroller, and Edwin T. Holloway, Associate Administrator for Finance and Investment.

The request consists of budget authority totaling $2.8 billion for four items:

1. Business loan and investment fund capital appropriation, $2.522 billion.
2. Surety bond guarantees revolving capital appropriation, $17 million.
3. Pollution control, $21 million.
4. Salaries and expenses direct appropriation, $212 million.

No new authority is requested for two of the five revolving funds for fiscal year 1987. The disaster loan fund does not require a direct appropriation. The unobligated balance carried forward from fiscal year 1986, as well as anticipated receipts in fiscal year 1987, will be sufficient to meet estimated needs. The lease guarantee revolving fund will also have an unobligated balance from fiscal year 1986 and requires no direct appropriation.

Mr. Chairman, I now would like to review and highlight the administration's budget proposals. First, it should be pointed out that the administration does not propose to eliminate SBA. The budget proposal would transfer the agency to the Commerce Department, where it would continue as an entity and continue to offer valuable and important assistance to small business.

To be sure, the budget proposes to eliminate the agency's credit activities, but important functions and programs would remain.

The budget also proposes to transfer SBA's loan portfolio to the Treasury Department, for collection and liquidation. These proposals are desirable and necessary as part of the administration's objectives of limiting the size and cost of government, of reducing federal credit activity and of reducing the budget deficit.

Small Businesses have an important stake in lower deficits and lower government spending. Lower deficits and lower spending boost the chances of a continuing economic expansion, of still lower interest rates and of an expanding pool of private capital available for small business borrowers.

The SBA budget proposals thus would have a minimal direct adverse effect on small businesses and a distinctly major beneficial effect on small entrepreneurs.

The private sector today is in an excellent position to take up any slack resulting from elimination of SBA's credit activities. More and more banks are seeking out small business customers, and banks today have ample funds to lend. Even with SBA, today more than 99 percent of small businesses already obtain financing without federal assistance.

The number of private venture capital companies has increased significantly. The pool of venture capital available to small firms continues to grow.

Federal flood insurance is available to cover business and personal losses resulting from disasters.

Management assistance for small firms is now available from an ever-widening group of private companies and local chambers of commerce.

State governments and colleges and universities are in a position to continue operating their small business development centers, without federal help.

It seems clear, then, that small businesses will continue to have available the financial, investment and management assistance presently supplied by SBA.

It also is important to note, Mr. Chairman, that important and needed small business programs will continue under the budget proposal.

The Office of Advocacy—which most small business owners rightly consider the most important of SBA activities—will continue.

SBA's procurement program also will continue; SBA's procurement staff each year helps direct billions of dollars of federal contracts to thousands of capable small firms. It is accurate to say that the procurement assistance program has, in dollars, done more to help small business than SBA's financial and investment programs combined.

The Small Business Innovation Research Program will continue to be supervised and coordinated by SBA.

Also to be continued is SBA's minority small business assistance efforts.

So will the Service Corps of Retired Executives (SCORE), through which about 12,000 volunteers counsel small businesses, one on one.

In conclusion, Mr. Chairman, let me repeat just what the fiscal year 1987 budget proposal will and will not do:

It will not eliminate SBA.

The most vitally needed SBA functions and programs will continue.

SBA's Office of Advocacy will remain as it is today.

Taxpayer savings in fiscal year 1987 are estimated at $1.4 billion the first year and $5.2 billion in three years, thus helping the administration—and the Congress—reach its deficit reduction goals.

As the budget proposal aptly says, "As a group, small businesses will benefit more from the administration's continuing efforts to stabilize financial markets, reduce inflation and interest rates and eliminate burdensome regulations than they will from direct federal subsidies."

Thank you, Mr. Chairman, we will be happy to answer your questions.

[The prepared statement of Mr. Turnbull follows:]

SMALL BUSINESS ADMINISTRATION
POLLUTION CONTROL EQUIPMENT CONTRACT GUARANTEE REVOLVING FUND

Program and Financing (in thousands of dollars)-Continued

	73-4147-0-3-376	1985 Actual	1986 Estimate	1987 Estimate
	Relation of obligations to outlays:			
71.00	Obligations incurred, net	10,022	13,300	15,000
72.10	Receivables in excess of obligations, start of year	-	-	-
72.98	Obligated balance, start of year: Fund balance	2,822	7,260	6,560
74.98	Obligated balance, end of year:			
	Fund balance	-7,260	-6,560	-6,560
90.00	Outlays	5,584	14,000	15,000

SMALL BUSINESS ADMINISTRATION
POLLUTION CONTROL EQUIPMENT CONTRACT GUARANTEE REVOLVING FUND

Status of Guaranteed Loans (in thousands of dollars)

	73-4147-0-3-376	1985 Actual	1986 Estimate	1987 Estimate
	Position with respect to appropriations act limitation on commitments:			
2111	Limitation on guaranteed loans made by private lenders..........................	-	-	-
2112	Unused balance of limitation expiring........	-	-	-
2131	Guaranteed loan commitments exempt from limitation..........................	7,400	50,000 1/	-
2150	Total guaranteed loan commitments.....	7,400	50,000 1/	-
	Cumulative balance of guaranteed loans outstanding:			
2210	Outstanding, start of year..................	325,300	326,640	376,640
2231	Disbursements: Disbursements of new guaranteed loans..........................	1,340	50,000	-
2264	Adjustments: Other adjustments, net.........	-	-	-
2290	Outstanding, end of year....................	326,640	376,640	376,640
	MEMORANDUM			
2299	U.S. contingent liability for guaranteed loans outstanding, end of year............	326,640	376,640	376,640

1/ Agency estimate of $150 million appropriation required in FY 1986

SMALL BUSINESS ADMINISTRATION
POLLUTION CONTROL EQUIPMENT CONTRACT GUARANTEE REVOLVING FUND

Revenue and Expense (in thousands of dollars)

73-4147-0-3-376	1985 Actual	1986 Estimate	1987 Estimate
Revenue	4,039	5,200	5,000
Expense	-14,061	-18,500	-20,000
Net loss for the year	-10,022	-13,300	-15,000

SMALL BUSINESS ADMINISTRATION
POLLUTION CONTROL EQUIPMENT CONTRACT GUARANTEE REVOLVING FUND

Financial Condition (in thousands of dollars)

73-4147-0-3-376	1984 Actual	1985 Actual	1986 Estimate	1987 Estimate
Assets:				
Fund balance with Treasury.........	18,476	22,782	8,782	14,782
U.S. securities (par)..............	9,890	-	-	-
Amortized Premium or Discount......	18	-	-	-
Accounts receivable................	439	-	-	-
Other assets.......................	-	-	-	-
Total assets.......................	28,823	22,782	8,782	14,782
Liabilities:				
Accounts payable and accrued liabilites......................	3,279	7,260	6,560	6,560
Government equity:				
Unexpended budget authority........	25,544	15,522	2,222	8,222
Analysis of changes in Government equity:				
Paid-in capital:				
Opening balance..................		15,000	15,000	15,000
Closing balance..................		15,000	15,000	36,000
Retained earnings..................		522	-12,778	-27,778
Total Government equity (end of year)..................		15,522	2,222	8,222

STATEMENT OF
ROBERT A. TURNBULL
ASSOCIATE DEPUTY ADMINISTRATOR
SMALL BUSINESS ADMINISTRATION

FIRST, LET ME SUMMARIZE THE BUDGET REQUEST. IT CONSISTS OF BUDGET AUTHORITY TOTALING $2.8 BILLION FOR THE FOLLOWING FOUR ITEMS:

(1) BUSINESS LOAN AND INVESTMENT FUND CAPITAL APPROPRIATION: $2,522 MILLION.

(2) SURETY BOND GUARANTEES REVOLVING FUND CAPITAL APPROPRIATION: $17 MILLION.

(3) POLLUTION CONTROL: $21 MILLION.

(4) SALARIES AND EXPENSES DIRECT APPROPRIATION: $212 MILLION.

BEFORE DISCUSSING THESE SPECIFIC BUDGET ITEMS, I WOULD LIKE TO REVIEW AND HIGHLIGHT THE ADMINISTRATION'S BUDGET PROPOSALS FOR THE FISCAL YEAR. FIRST, IT SHOULD BE POINTED OUT THAT THE ADMINISTRATION DOES NOT PROPOSE TO ELIMINATE SBA. THE BUDGET PROPOSAL WOULD TRANSFER THE AGENCY TO THE COMMERCE DEPARTMENT, WHERE IT WOULD CONTINUE TO OFFER VALUABLE AND IMPORTANT ASSISTANCE TO SMALL BUSINESS. TO BE SURE, THE BUDGET PROPOSES TO ELIMINATE THE AGENCY'S CREDIT ACTIVITIES, BUT IMPORTANT PRESENT FUNCTIONS AND PROGRAMS WOULD REMAIN INTACT. THE BUDGET ALSO PROPOSES TO TRANSFER SBA'S LOAN PORTFOLIO TO THE TREASURY DEPARTMENT FOR COLLECTION AND LIQUIDATION. THE PROPOSAL WILL RESULT IN $1.4 BILLION SAVINGS IN FY 1987 AND $5.2 BILLION OVER THE NEXT THREE YEARS.

THESE PROPOSALS ARE DESIRABLE AND NECESSARY AS PART OF THE ADMINISTRATION'S OBJECTIVES OF LIMITING THE SIZE AND COST OF GOVERNMENT, OF REDUCING FEDERAL CREDIT ACTIVITY AND OF REDUCING THE BUDGET DEFICIT. CONGRESS ITSELF WISHES TO ACHIEVE SIMILAR OBJECTIVES. SO DO THE AMERICAN PEOPLE.

AS THE ADMINISTRATION'S BUDGET APTLY SAYS, "AS A GROUP SMALL BUSINESSES WILL BENEFIT MORE FROM THE ADMINISTRATION'S CONTINUING EFFORTS TO STABILIZE FINANCIAL MARKETS, REDUCE INFLATION AND INTEREST RATES, AND ELIMINATE BURDENSOME REGULATIONS THAN THEY WILL FROM DIRECT FEDERAL SUBSIDIES. MORE THAN 99 PERCENT OF SMALL BUSINESSES ALREADY OBTAIN FINANCING WITHOUT FEDERAL ASSISTANCE."

SMALL BUSINESSES HAVE AN IMPORTANT STAKE IN LOWER DEFICITS AND REDUCED FEDERAL SPENDING. LOWER DEFICITS AND LOWER SPENDING BOOST THE CHANCES OF A CONTINUING ECONOMIC EXPANSION, OF STILL LOWER INTEREST RATES AND OF AN EXPANDING POOL OF CAPITAL AVAILABLE FOR SMALL BUSINESS BORROWERS.

THE SBA BUDGET PROPOSALS THUS WOULD HAVE A MINIMAL DIRECT ADVERSE EFFECT ON THE SMALL BUSINESS COMMUNITY AND A DISTINCTLY MAJOR BENEFICIAL EFFECT ON OUR SMALL ENTREPRENEURS.

THE PRIVATE SECTOR TODAY IS IN EXCELLENT POSITION TO TAKE UP ANY SLACK RESULTING FROM ELIMINATION OF SBA'S LENDING, INVESTMENT AND MOST MANAGEMENT ASSISTANCE ACTIVITIES. FOR EXAMPLE, MORE AND MORE BANKS ARE SEEKING OUT SMALL BUSINESS CUSTOMERS, AND BANKS TODAY HAVE PLENTY OF FUNDS TO LEND. THE NUMBER OF VENTURE CAPITAL COMPANIES HAS INCREASED SIGNIFICANTLY IN RECENT YEARS, AND THE POOL OF VENTURE CAPITAL CONTINUES TO GROW. PRIVATE INSURANCE AND FEDERAL FLOOD INSURANCE ARE AVAILABLE TO COVER BUSINESS AND PERSONAL LOSSES IN DISASTERS; MOREOVER, THE FEDERAL GOVERNMENT SHOULD NOT BE IN THE BUSINESS OF PROVIDING FOR LOSSES RESULTING FROM NORMAL BUSINESS RISKS.

MANAGEMENT ASSISTANCE TO EXISTING AND PROSPECTIVE SMALL BUSINESS OWNERS IS TODAY AVAILABLE FROM AN EVER-WIDENING GROUP OF PRIVATE COMPANIES AND LOCAL CHAMBERS OF COMMERCE. MORE AND MORE TRADE ASSOCIATIONS, ACCOUNTING FIRMS, LARGE CORPORATIONS, EDUCATIONAL INSTITUTIONS AND CONSULTING FIRMS ARE OFFERING A WIDE ARRAY OF SMALL BUSINESS ASSISTANCE. THOUSANDS OF LOCAL CHAMBERS OF COMMERCE, FOR EXAMPLE, TODAY HAVE SET UP SMALL BUSINESS RESOURCE CENTERS, WHICH ARE OF INCREASING HELP TO SMALL BUSINESSES. STATE GOVERNMENTS AND COLLEGES AND UNIVERSITIES ARE IN POSITION TO CONTINUE OPERATING THEIR SMALL BUSINESS DEVELOPMENT CENTERS.

IT SEEMS CLEAR, THEN, THAT SMALL BUSINESSES WILL CONTINUE TO HAVE AVAILABLE THE FINANCIAL, INVESTMENT AND MANAGEMENT ASSISTANCE HERETOFORE SUPPLIED BY SBA.

IT ALSO IS VERY PERTINENT TO KEEP IN MIND THAT THE MOST IMPORTANT AND NEEDED SBA PROGRAMS WILL CONTINUE:

-- THE OFFICE OF ADVOCACY, WHICH MOST SMALL BUSINESS OWNERS RIGHTLY CONSIDER THE MOST VITAL OF SBA ACTIVITIES, WILL CONTINUE TO SPEAK UP FOR SMALL BUSINESS IN AND OUT OF GOVERNMENT. THE OFFICE WILL CONTINUE TO BE HEADED BY A PRESIDENTIALLY-APPOINTED CHIEF COUNSEL.

-- SBA'S PROCUREMENT PROGRAM ALSO WILL CONTINUE. THIS PROGRAM, IN MY VIEW, HAS SOMETIMES BEEN OVERLOOKED, BUT YET IT HAS DONE -- AND WILL CONTINUE TO DO -- A MOST IMPORTANT JOB FOR AN INCREASING NUMBER OF SMALL FIRMS WISHING TO DO BUSINESS WITH THE GOVERNMENT. OUR PROCUREMENT SECTION EACH YEAR HELPS DIRECT BILLIONS OF DOLLARS IN FEDERAL PROCUREMENT TO THOUSANDS OF CAPABLE SMALL FIRMS, AND OUR BREAKOUT PROCUREMENT CENTER REPRESENTATIVES STATIONED AT KEY MILITARY BASES HAVE SAVED MILLIONS OF DOLLARS BY HELPING DIRECT SPARE PARTS CONTRACTS TO SMALL COMPANIES. THESE PROCUREMENT EFFORTS WILL CONTINUE. I

THINK IT IS ACCURATE TO SAY THAT SBA'S PROCUREMENT PROGRAM -- WHICH I REPEAT WILL CONTINUE -- HAS IN DOLLARS DONE MORE TO HELP SMALL BUSINESS THAN OUR FINANCIAL AND INVESTMENT PROGRAMS COMBINED.

-- SO WILL THE SMALL BUSINESS INNOVATION RESEARCH PROGRAM, UNDER WHICH 12 MAJOR FEDERAL AGENCIES MUST DIRECT AN INCREASING SHARE OF THEIR RESEARCH AND DEVELOPMENT CONTRACTS TO SMALL HI-TECH COMPANIES. SO FAR, SUCH SMALL FIRMS HAVE RECEIVED ABOUT $400 MILLION IN R & D THROUGH THE PROGRAM, AND IT'S EXPECTED THAT SIMILAR HI-TECH FIRMS WILL RECEIVE ANOTHER $400 MILLION THIS FISCAL YEAR. I KNOW THIS PROGRAM IS OF SPECIAL INTEREST TO YOU, MR. CHAIRMAN, AND MANY OTHER MEMBERS OF THE SENATE AND HOUSE.

-- ALSO TO BE CONTINUED IS SBA'S PROGRAM TO DIRECT SPECIAL ASSISTANCE TO SMALL FIRMS OWNED BY SOCIALLY AND ECONOMICALLY DISADVANTAGED INDIVIDUALS. SBA'S SO-CALLED 8(A) PROGRAM IN FY 1985 DIRECTED ABOUT $3 BILLION IN FEDERAL WORK TO COMPANIES, AND THE 8(A) PROGRAM WILL CONTINUE.

-- THE SERVICE CORPS OF RETIRED EXECUTIVES (SCORE) AND THE ACTIVE CORPS OF EXECUTIVES (ACE) ALSO WILL CONTINUE. THESE PROGRAMS ARE OF WIDE BENEFIT TO MANY, MANY SMALL BUSINESSES, ESPECIALLY THOSE FACING SOME DIFFICULTIES. SCORE AND ACE VOLUNTEERS, ABOUT 12,000 STRONG, OFFER COUNSELING TO SMALL ENTREPRENEURS, ONE ON ONE.

AS I MENTIONED, SBA'S PORTFOLIO MANAGEMENT FUNCTION WOULD BE TRANSFERRED TO THE DEPARTMENT OF THE TREASURY, EFFECTIVE OCTOBER 1, TO CARRY OUT THE COLLECTION AND LIQUIDATION OF THE EXISTING LOAN PORTFOLIO. THOSE PARTS OF THE AGENCY NOT INVOLVED IN THE COMMERCE AND TREASURY TRANSFERS WOULD BE ELIMINATED THROUGH AN ORDERLY PHASEOUT. IT IS ANTICIPATED THAT ELIMINATION OF THESE FUNCTIONS AND OFFICES WILL BE COMPLETED BY DECEMBER 31. THEREFORE, THIS BUDGET SUBMISSION REQUESTS FUNDS FOR SALARIES AND EXPENSES TO ACCOMPLISH THIS PURPOSE.

NO NEW AUTHORITY IS REQUESTED FOR TWO OF THE FIVE REVOLVING FUNDS FOR FY 1987. THE DISASTER LOAN FUND DOES NOT REQUIRE A DIRECT APPROPRIATION. THE UNOBLIGATED BALANCE CARRIED FORWARD FROM FY 1986, AS WELL AS ANTICIPATED RECEIPTS IN FY 1987 WILL BE SUFFICIENT TO MEET ESTIMATED NEEDS. THE LEASE GUARANTEE REVOLVING FUND ALSO HAS UNOBLIGATED BALANCES FROM FY 1986 AND REQUIRES NO DIRECT APPROPRIATION. LIQUIDATION FUNCTIONS RELATED TO THESE ACTIVITIES WOULD BE TRANSFERRED TO THE DEPARTMENT OF THE TREASURY.

THESE AMOUNTS REQUESTED REFLECT CURRENT LAW. THE ADMINISTRATION PROPOSAL TO TRANSFER WHEN ENACTED WILL REQUIRE REVISED TRANSMITTAL OF ESTIMATES.

NOW, MR. CHAIRMAN, LET ME DISCUSS THE SPECIFIC APPROPRIATION ITEMS.

BUSINESS LOAN AND INVESTMENT FUND

WE ARE REQUESTING A CAPITAL APPROPRIATION OF $2,522 MILLION FOR THE BUSINESS LOAN AND INVESTMENT FUND OF WHICH $2.3 BILLION WILL BE USED TO PURCHASE THE FFB PORTFOLIO, WHICH CONSISTS OF SBIC AND 503 DEBENTURES. THIS COMPARES WITH $162 MILLION OF ADDITIONAL CAPITAL PROVIDED IN FY 1986 ADJUSTED FOR GRAMM-RUDMAN-HOLLINGS. THIS REQUEST PROVIDES FOR THE CONTINUING EXPENSES RELATED TO MAINTAINING THE AGENCY'S BUSINESS LOAN PORTFOLIO, AS WELL AS ANTICIPATED DISBURSEMENTS TO HONOR PRIOR COMMITMENTS UNDER THE DIRECT AND GUARANTY LOAN PROGRAMS. THIS REQUEST ALSO PROPOSES THE ELIMINATION OF ALL NEW DIRECT AND GUARANTY LOAN APPROVALS.

SURETY BOND GUARANTEES REVOLVING FUND

WE ARE REQUESTING $17 MILLION IN CAPITAL FOR THE SURETY BOND GUARANTEE REVOLVING FUND AS COMPARED TO $7 MILLION IN FY 1986. WE ARE PROPOSING LEGISLATION TO TRANSFER ITS PORTFOLIO TO THE DEPARTMENT OF THE TREASURY AND WILL PROVIDE FOR THE CONTINUING EXPENSES OF THE FUND, CONSISTING PRIMARILY OF THE PAYMENT OF CLAIMS RESULTING FROM DEFAULTED BONDS GUARANTEED IN PRIOR YEARS.

POLLUTION CONTROL EQUIPMENT CONTRACT GUARANTEE REVOLVING FUND

WE ARE REQUESTING A CAPITAL APPROPRIATION OF $21 MILLION AS COMPARED TO NO REQUEST IN FY 1986. THIS REQUEST WILL PROVIDE FUNDS FOR THE LIQUIDATION OF DEFAULTED POLLUTION CONTRACTS. AS PROPOSED, NO NEW BOND GUARANTEES WILL BE APPROVED AND THE PORTFOLIO MANAGEMENT FUNCTION WILL BE TRANSFERRED TO THE DEPARTMENT OF THE TREASURY FOR LIQUIDATION OF THE EXISTING PORTFOLIO.

SALARIES AND EXPENSES

A DIRECT APPROPRIATION OF $212 MILLION IS REQUESTED FOR FY 1987 FOR SALARIES AND EXPENSES OF THE SMALL BUSINESS ADMINISTRATION. INCLUDED IN THIS AMOUNT IS $10 MILLION FOR DISASTER ASSISTANCE ACTIVITIES.

The request reflects the elimination of some activities of the Agency and the transfer of the remaining functions to the Department of the Treasury and the Department of Commerce. This request represents the total direct appropriation needed to phase-out the activities to be terminated, as well as fund the remaining functions. Of this amount, $38,916,000 will be requested within the Department of Commerce's budget, and $78,022,000 will be requested within the Department of the Treasury's budget, including $7 million for disaster servicing functions. The remaining $95,362,000 will be necessary to fund first quarter activities to properly phase-out operations.

Mr. Chairman, this completes my brief review of the Small Business Administration's budget request for FY 1987. We will be pleased to answer any questions the Committee may have.

BUSINESS DEVELOPMENT

Mr. SMITH. Where did you get information that state governments and colleges and universities are in a position to continue operating the small business development program? We haven't heard that kind of information from any source that I know of.

Mr. TURNBULL. Well, it is our feeling, Mr. Chairman, as you well know, states and universities put up a good percentage of the funding for small business development centers as it is already.

Mr. SMITH. They have to put up at least half?

Mr. TURNBULL. Yes, that is correct, and they do that, and there does seem to be an effort on behalf of universities and state government to want to maintain this program and increase it, and even without federal assistance. Universities and colleges across the country today are now setting up small business chairs where at one time there were MBA programs. Entrepreneurial education I think is increasing across the country.

Mr. SMITH. There are a lot of States that are not meeting the 50–50 matching requirement, so that indicates that they don't have the finances to do it. They are striving to increase their matching money but they are not getting it done. Iowa is one of those states, for example, that wasn't able to match its maximum this year, but they wanted to desperately. They just couldn't do it. And the universities and states are both having trouble, even though they consider it to be one of the highest priorities. I don't think there is any evidence that a matching program of that kind ought to be left to the states. I just don't see where you get that.

CREDIT ASSISTANCE

Now, you talk about financing. Not very many people get these guarantees. What percentage of applicants get or have gotten guarantees, bank guarantees?

Mr. TURNBULL. We believe less than 1 percent of businesses that are created at any one time are seeking financing.

Mr. SMITH. Each one?

Mr. TURNBULL. That is right.

Mr. SMITH. A lot of the companies wouldn't have gotten started—Iowa Beef, for example would they, if it hadn't been for a little help from the SBA. These companies say that themselves.

Mr. TURNBULL. It is our feeling, Mr. Chairman, that there is financing available to these companies in the private sector without government assistance.

Mr. SMITH. If there were, there would just be that much taken off the banks that loan to somebody else. The banks are the ones we are hearing about the most concerning this loan guarantee program, especially the ones that are in trouble.

If they can't shift their portfolio to a Government guarantee away from a risk category, they can't make loans they are making to people that never heard of SBA, so it is not just the people who actually get the loans that are involved.

G-R-H REDUCTIONS

Let me ask you about sequestration. Is that going to cause you to have any furlough or RIF?

Mr. TURNBULL. We don't believe so, Mr. Chairman.

Mr. SMITH. How about reprogrammings?

Mr. TURNBULL. I don't believe that there is any need for reprogramming at this point.

Mr. SMITH. Do you think there may be later?

Mr. TURNBULL. We have a hiring freeze on at present, Mr. Chairman. We are hoping that this will take care of it. There may be some need for us to ask for reprogramming requests at some time, based on the fact that the sequestration takes place in each one of the specific line item categories.

DISASTER LOANS

Mr. SMITH. Now, the Disaster Loan Fund. What is the current condition of the Disaster Loan Fund?

Mr. TURNBULL. We presently have $151 million in the Disaster Loan Fund, Mr. Chairman.

Mr. SMITH. How much is coming in monthly?

Mr. TURNBULL. Approximately $60 million.

Mr. SMITH. Sixty per month. Are the applications in from the California disasters?

Mr. TURNBULL. Not yet, no, sir.

Mr. SMITH. What do you think the condition will be after you take care of the California disasters?

Mr. TURNBULL. Our best figures at the moment, Mr. Chairman, are that California, Nevada, Washington and Oregon areas will probably account for $75 million to $80 million in loans.

Mr. SMITH. Total?

Mr. TURNBULL. Total.

Mr. SMITH. That is a month and a quarter of that. What other claims are there on this fund?

Mr. TURNBULL. There are currently disasters in West Virginia, Virginia and Puerto Rico. West Virginia and Puerto Rico particularly are of major proportions. Virginia also is.

Mr. SMITH. Barring any new disasters—which there will be, we know that—but if there were no new disasters, what condition would the fund be in any one month, two months, three months, four months?

Mr. TURNBULL. We expect that we are going to be in pretty good shape, and we expect that we will have a year-end balance in the revolving fund of approximately $112 million.

Mr. SMITH. $112 million. That is a drawdown from what you have got?

Mr. TURNBULL. $151 million.

Mr. SMITH. That is barring any new disasters, right, or is that normal?

Mr. TURNBULL. Nothing that is major, that is correct.

ASSET SALES

Mr. SMITH. You mentioned somewhere about the loan portfolio. It is in the justifications, I guess. You are proposing to sell the loan portfolio?

Mr. TURNBULL. That is correct. The Treasury Department would be——

Mr. SMITH. Yes, and what is the total face value now?

Mr. TURNBULL. The total face value of the portfolio is $9.4 billion.

Mr. SMITH. What are you estimating it would bring?

Mr. TURNBULL. The estimates that are in the budget are very conservative, Mr. Chairman. We are estimating presently approximately 31 cents on the dollar for the entire portfolio.

Mr. SMITH. Where did you get that estimate from? Who made that?

Mr. TURNBULL. These estimates were made after analysis of the portfolio, the interest rates, the term of the loan, what type of collateral we have.

Mr. SMITH. By whom?

Mr. TURNBULL. By SBA, Mr. Chairman.

Mr. SMITH. Internally?

Mr. TURNBULL. Correct, yes. Nobody has made any effort yet to go to the financial markets, investment banks and determine what they might pay for the portfolio. I would like to point out in that regard, I know that the Treasury Department does have a task force underway to look at the sale of assets governmentwide, not only for SBA, and they intend to make a careful analysis of all portfolios before they offer them to the private markets. There is no desire or no intention here to have a fire sale.

OMNIBUS RECONCILIATION BILL

Mr. SMITH. Your authorization legislation, there was some authorizing legislation in the reconciliation package?

Mr. TURNBULL. That is correct.

Mr. SMITH. What activities do you have that are not authorized for 1987 after considering the reconciliation package?

Mr. TURNBULL. After the signing of the reconciliation?

Mr. SMITH. Right.

Mr. TURNBULL. Nonphysical disasters loan-making, Mr. Chairman, and farm disaster loan-making would be the two pieces that would be dropped out by the reconciliation bill.

Mr. SMITH. Other than that, everything is authorized for 1987?

Mr. TURNBULL. That is correct. There are some other changes in that legislation, Mr. Chairman.

Mr. SMITH. Do you want to highlight those?

Mr. TURNBULL. Yes. The SBIC, that program would be taken off the Federal Finance Bank, and that paper would be guaranteed in the private marketplaces. Approximately one half of the 503 debentures would be taken from the FFB and be guaranteed in the private marketplace.

An increase of 1 percent loan origination fee in the guaranteed lending program, guarantees over the amount of $155,000 would be reduced to 85 percent, where it is now 90 percent. Those are the major ones.

Mr. **SMITH**. What impact will those changes have on your budget? You haven't been making any farm loans anyway, that amount to anything. Over $155,000 in 1985, it will not have any impact in 1987. It might in other years, right?

Mr. **TURNBULL**. Correct.

Mr. **SMITH**. What changes in the authorization might impact your 1987 budget?

Mr. **TURNBULL**. The biggest changes would be the elimination of the nonphysical disaster loans, the farm disaster lending, but the primary changes would be taking the SBIC program off the FFB, putting it in the private marketplace as well as the 503 program.

Mr. **SMITH**. What kind of impact would that have on your budget?

Mr. **TURNBULL**. In the SBIC area it would be approximately $250 million. In the 503 area it is somewhat less. It is about $200 million in the 503 area.

Mr. **SMITH**. And the nonphysical disaster, what impact would that have?

Mr. **TURNBULL**. $100 million, Mr. Chairman.

Mr. **SMITH**. So you are talking about a total of $550 million?

Mr. **TURNBULL**. There are some others, scorekeeping.

Mr. **SMITH**. You are talking now about outlays or obligations?

Mr. **TURNBULL**. Outlays.

Mr. **SMITH**. Outlays?

Mr. **TURNBULL**. Yes, sir.

Mr. **SMITH**. That must not all be outlays?

Mr. **CARVER**. Those are program levels.

Mr. **SMITH**. Program levels?

Mr. **CARVER**. Yes.

Mr. **SMITH**. What would that money be in outlays?

Mr. **TURNBULL**. Roughly $400 million, Mr. Chairman.

Mr. **SMITH**. In outlays?

Mr. **TURNBULL**. In outlays.

Mr. **SMITH**. In 1987?

Mr. **TURNBULL**. Correct.

SURETY BOND FUND

Mr. **SMITH**. You are asking for a substantial increase in new budget authority for the Surety Bond Revolving Fund. What is that related to?

Mr. **TURNBULL**. It is related to the payment of claims, Mr. Chairman. There will be no more coming into the fund, because we will not have an existing program under the President's budget proposal, we need an appropriation to pay off the claims.

Mr. **SMITH**. Do you know what the outstanding risk is, the maximum risk, the amount guaranteed?

Mr. **TURNBULL**. On the surety bond? Mr. Chairman, I believe the guarantee itself is about 85 percent; 2.1 percent actual loss rate on that program.

Mr. SMITH. But what is the outstanding risk? Somebody puts up a million-dollar bond, you lose 2.1 percent or whatever it is, but what is the total now outstanding; do you know?

Mr. TURNBULL. The total amount outstanding right now?

Mr. SMITH. Yes.

Mr. CARVER. Four hundred million dollars right now, I believe.

Mr. SMITH. What are you projecting it for? If no new guarantees were made, what are you projecting the loss would be by the time all the risks expired?

Mr. TURNBULL. 2.1 percent.

Mr. SMITH. Many of these bonds would be in effect for another year or two?

Mr. TURNBULL. That would be correct.

Mr. CARVER. Ten months.

Mr. SMITH. Ten months you say?

Mr. CARVER. Yes, sir, that is about the average life.

Mr. SMITH. Ten more months is all?

Mr. CARVER. Yes, sir. It would be, again, assuming they reached their maturity, but the claims can sit there for much past their completion time.

Mr. SMITH. So the loss rate, at any rate, that is a pretty solid figure, 2.1 percent?

Mr. CARVER. Yes, sir.

POLLUTION CONTROL FUND

Mr. SMITH. What about pollution control equipment contract guarantees? What is happening in that program?

Mr. CARVER. The actual balance at the end of the year, Mr. Chairman, was $10 million. The $21 million requested is to pay claims.

Mr. SMITH. Are a lot of these guarantees still in California, or are they spread around the country?

Mr. TURNBULL. I am honestly not sure. California, Wisconsin and Michigan have approximately 70 percent of all the guarantees.

Mr. SMITH. Those three states?

Mr. TURNBULL. Yes, sir.

Mr. SMITH. And, are applications and demands continuing to come from those three?

Mr. TURNBULL. Very, very few.

Mr. SMITH. Why was it concentrated so heavily in those states?

Mr. TURNBULL. I am afraid I don't have the answer to that question, Mr. Chairman.

Mr. HOLLOWAY. Mr. Chairman, I believe the reason is that the state pollution control requirements were more stringent in that state, and our program covers not only these requirements, but any state pollution requirements enacted pursuant to federal law.

Mr. SMITH. So it reached down and got smaller companies?

Mr. HOLLOWAY. I believe the requirements were just more stringent.

Mr. SMITH. But these are companies that couldn't raise money some other way, aren't they?

Mr. HOLLOWAY. That is correct.

Mr. SMITH. Big companies didn't need this?

Mr. Holloway. No, sir, only small businesses.

WHITE HOUSE CONFERENCE

Mr. Smith. There is another White House conference on small business underway. How many states have held conferences so far?

Mr. Turnbull. I don't know for sure, Mr. Chairman. I think about three quarters have.

Mr. Smith. What has the participation been like?

Mr. Turnbull. I believe they have been averaging between four and five hundred business people at each conference.

Mr. Smith. At each statewide conference?

Mr. Turnbull. Yes. The national conference is to be held toward the end of August.

Mr. Smith. Have any of them agreed with abolishing SBA?

Mr. Turnbull. Mr. Chairman, I don't know that specifically.

Mr. Smith. You don't know of any that have?

Mr. Turnbull. Well, I only know the one in Florida voted to do away with all government lending.

Mr. Smith. But not SBA?

Mr. Turnbull. I don't know if they spoke to it specifically.

Mr. Smith. Are they coming up, though, with some new things that were not listed as priorities in the last White House Conference?

Mr. Turnbull. The hottest topic today, Mr. Chairman, is liability insurance. That seems to be the number one issue. What recommendations they have come up with specifically I am not sure, but that is the major issue that is confronting all small businesses today.

Mr. Smith. Do they have a number of tax proposals?

Mr. Turnbull. I believe they do. I know they have a session in taxation.

Mr. Smith. When will that be concluded?

Mr. Turnbull. It will be concluded at the national conference, which is toward the end of August of this year. Then a report I think is due some six months after the conference itself, and those recommendations will be submitted to the Congress and the President.

Mr. Smith. The meeting in Washington will be in August?

Mr. Turnbull. It is late August. I believe it is August 18.

Mr. Smith. We have got some other questions, but we will submit them for the record.

Mr. Turnbull. Thank you, Mr. Chairman.

[The questions and the answers submitted thereto follow:]

ANSWERS TO QUESTIONS FROM CONGRESSMAN NEAL SMITH

IMPACT OF SEQUESTRATION

1. The budget justifications indicate that the requests for FY 1987 include the effects of the Gramm-Rudman-Hollings reduction taken in FY 1986. Can you explain why in several of the funds the FY 1986 reductions translate to appropriation reductions in FY 1987 as well?

The FY 1986 G-R-H sequestration affects the budget authority requests in FY 1987 for the Business Loan and Investment Fund and the Surety Bond Guarantees Fund, in the amounts of $31.0 million and $.6 million, respectively.

The majority of the impact in "BLIF", in FY 1987, is the effect of a reduced guaranty program level in FY 1986, due to G-R-H, on anticipated FY 1987 guaranty repurchases. In the Surety Bond Fund, a portion of the surety claims occur in the year following SBA's guarantee, therefore, the G-R-H effects were translated to FY 1987 reductions in anticipated claims.

DIRECTIONS IN THE FY 1986 CONFERENCE REPORT

1. The conference report on the FY 1986 appropriations bill provided $2,775,000 for the Breakout Procurement Center Representative program for an additional 108 positions, including 88 BPCRs and technical advisers to enable SBA to maintain BPCR offices at 34 major procurement centers. Have those positions been allocated?

Yes, these positions have been allocated and approximately 77 have been hired, as of 2/1/86. Nine additional positions are currently advertised. Three additional breakout locations are being investigated.

2. The conference report also directed SBA to designate up to six BPCRs and appropriate support staff to implement a Pilot Systems Procurement Center Representative program to be located at DOD commands responsible for the development and acquisition of new major systems. What is the status of that program -- have those positions been allocated?

Implementation of the Systems PCR program is well underway. We have already hired BPCR's at the following system commands: U.S. Army Aviation Systems Command, Naval Air Systems Command, Naval Sea Systems Command, Aeronautical Systems Division and Electronics Systems Division, and we are in the process of hiring the other two BPCR's, Air Force Ballistic Missile Office and Space Division.

3. The conference report directed SBA to review the practice of at least one SBDC which was operating a cost-sharing program by referring small businesses to paid consultants with the SBDC paying part of the costs and the small business paying the remainder. Have you conducted that review and, if so, what were the results?

The Small Business Development Center (SBDC) referred to in the conference report was the Los Angeles subcenter of the California SBDC.

Normal monitoring of the Los Angeles subcenter on October 10, 1985, by the ARA/BD from Region IX revealed no evidence to substantiate the allegation that SBDC clients were being charged a fee after referral to a private consultant.

A Program Review of the Los Angeles subcenter was conducted on Tuesday, November 19, 1985, by the Deputy Associate Administrator, SBDC Officer and her Deputy from Central Office in Washington, D.C. and the ARA/BD from the San Francisco Regional Office. During this review, the subcenter director stated that the SBDC paid for the counseling of its clients. He added that after the SBDC paid for the counseling activities with the client, the client was free to negotiate with the consultant for further counseling on a reduced fee basis.

This practice is no longer an issue since the California SBDC Cooperative Agreement was terminated December 31, 1985, and the SBDC was not refunded beyond that date.

4. The conference report indicated that the Executive Director of the White House Conference on Small Business should submit details to the Appropriation Committees concerning additional administrative costs that might be involved in holding regional meetings in preparation for the National Conference in Washington, D.C., in August of 1986. What is the status of preparations for the White House Conference and will an additional appropriation be necessary to meet all of the administrative costs of holding the conference?

The White House Conference on Small Business is proceeding according to plan. Forty-five state conferences have been held to date, and twelve more state conferences will be held between now and the end of May.

Six regional conferences are planned to orientate delegates to the issues that will be discussed at the National Conference. These conferences will be held during the month of June.

No additional appropriation will be required to complete the Conference's activities.

5. The conference report directed SBA to utilize $200,000,000 for the Section 503 Certified Development Company program in the first six months of fiscal year 1986 out of the Business Loan and Investment Fund. Have you carried out that direction of the conferees and, if not, why not?

   Program experience indicates that the demand for these monies is not as heavy as was expected by your conference report. Therefore, the $200 million was not completely expended within this six month time frame. However, except that the $200 million will be expended by June 30, 1986, according to demand.

6. The conference report directed SBA to allocate the $25 million provided for the Economic Opportunity Loan program to each regional office based upon the population in the region as compared to the total population in the United States. The conference report further indicated that each regional administrator should allocate the funds for this program within each region on an equitable basis. Has such a system of allocating these funds been implemented?

   Yes, through an allocation of the monies based on the latest population estimates as derived by the Census Bureau. These allocations by state/territory were combined by region, and translated into budgetary allotments. A detailed listing by state accompanied each regional allotment, for their information in seeing how we arrived at the allocation amounts.

PROPOSED ELIMINATION OF THE AGENCY

1. In your statement you indicated that the Administration does not propose to eliminate SBA, but to transfer the agency to the Commerce Department. If Congress were to approve this proposal, how would SBA be organized within the Department of Commerce -- would it be a separate agency with its own field structure?

   The SBA would continue to be a separate Agency within the Department of Commerce, headed by an Administrator who would also be an Undersecretary. No determination has yet been made as to the field structure.

2. Would SBA's present regional and field office structure be retained or would the field structure be folded into the Department of Commerce field offices?

   The Commerce Department would have to determine how they would deliver the programs to be transferred.

Both the Departments of Commerce and Treasury have had opportunities to review positions proposed for administrative support for the transferred functions. These administrative positions are approximately the same as requested in the 1986 budget to be transferred to Commerce and Treasury. Changes to these proposals may need to be made to reflect enacted legislation.

DISASTER LOAN FUND

1. How many additional disaster assistance centers have you had to open this fiscal year as a result of the natural disasters in Virginia, West Virginia, and the Far West?

Currently, all major disasters are declared by the President. All Disaster Assistance Centers (DAC's) are maintained by FEMA and they determine the times and locations required to open. SBA does not maintain separate DAC's in these disasters. However, here are some statistics that we do have:

	Puerto Rico	Virginia	West Virginia	California
1. Total DAC Locations	23	21	28	34
2. Most DACs at One Time	11	9	13	17
3. Total SBA-DAC Person Days	1,284	230	495	416
4. Total Volunteer Assistance to SBA-DAC Person Days	270	210	165	74

2. The committee recently approved a fiscal year 1986 supplemental appropriation bill which included $2,000,000 to be transferred from the Disaster Loan Fund to "Salaries and Expenses" for disaster loan making activities. Will this amount be sufficient to support your disaster assistance operations?

Based on our most current estimates the additional $2,000,000 to be transferred should be sufficient. This would bring the total amount available for Disaster activities to $32,000,000.

3. Recently $1.2 billion in unobligated balances in the Disaster Loan Fund was transferred to Miscellaneous Receipts of the Treasury. I believe that such a transfer is unprecedented. Why was it made and under what authority?

SBA, at the request of OMB, exercised its authority under Section 4(c)(5)(b)(i) of the Small Business Act. This section states that "Moneys in the funds established in subsection (c)(1) not needed for current operations may be paid into miscellaneous receipts of the Treasury."

Since the budget proposes to sell the disaster loan portfolio rather than continuing Federal servicing of these loans, transferring the farm and home loan portfolio to FMHA and HUD would not be advantageous. The budget proposes to transfer the Disaster loan portfolio to Treasury temporarily pending its sale over the next four years.

BUDGET AMENDMENT

1. The budget justifications indicate that a budget amendment will be proposed transferring parts of the request for fiscal year 1987 to the Departments of Commerce and Treasury. When does the Administration expect to transmit that budget amendment to the Congress and how much would be involved for each SBA appropriation account?

   Once legislation has been passed transferring the Small Business Administration to the Department of Commerce, then an amendment reflecting the schedules identified as proposed for later transmittal appearing in the Budget Appendix will be submitted. As of now the amounts will be the same as reflected in our FY 1987 budget document, however, we do anticipate that minor technical adjustments may occur.

2. If it becomes clear that the Congress will not agree to the proposed termination of SBA, will the President submit a budget amendment withdrawing the requested amounts associated with the dismantling of SBA programs and the sale of the loan portfolio? What would be the amount of such an amendment?

   If the Congress rejects the Administration's budget proposal, a budget amendment withdrawing the requested amounts associated with the dismantling of the SBA programs and the sale of the loan portfolio would not be submitted.

3. If it became clear that Congress would not agree to the proposed termination of SBA, how much in additional funds in each of your accounts would be required to maintain the same program level in FY 1987 that was approved by the Congress for fiscal year 1986?

   The amount available in salaries and expenses for 1986 before sequestration amounts to $199.8 million plus $90 million transferred from the Disaster Loan Fund. The FY 1987 current services estimate reflects an increase of $4.6 million for inflation. This increase would be prorated across all activities within the Agency.

   The total current services estimate for SBA, for all of its accounts in FY 1987, is approximately $1.2 billion in budget authority and $1.1 billion in outlays.

FEDERAL FINANCING BANK TRANSACTIONS

1. Please explain the provisions of Public Law 99-177 which would require SBA, beginning with the FY 1987 budget request, to bring on budget those accounts that were previously off budget.

   Under Section 406(a) of P.L. 99-177, the Federal Financing Bank (FFB) is brought on-budget. Section 406(b) attributes FFB receipts and disbursements to the Federal agency that provides the loan guarantee for activities financed through the FFB. For SBA this means that Budget Authority and Outlays for Section 503 and SBIC loans guaranteed by SBA and disbursed by the FFB must be presented as part of the SBA budget.

2. Included in your request for the Business Loans and Investment Fund is $2,314,596,000 to enable SBA to repurchase the "503" and "SBIC" portfolio from the Federal Financing Bank. Why are these repurchases necessary, to enable SBA to sell this portfolio to the public?

   Although FFB has the authority to sell assets, those assets of FFB that are guaranteed by SBA have a 100% guarantee. If FFB were to sell these assets, they would not receive their 100% portion of the portfolio due to discounting. Additionally, the sale is proposed over a four-year period and involves SBA and FFB assets. Its coordination and ultimate realization of sale proceeds would be more effective and efficient if handled by a single source. Finally, SBA cannot unilaterally sell FFB assets without first purchasing them so that they can be included in its direct portfolio.

SALARIES AND EXPENSES

1. The budget justifications indicate that if a budget amendment is submitted transferring certain functions to Commerce and Treasury, SBA would still need an appropriation of $95.4 million to fund first quarter activities for phase-out operations. Would this amount be sufficient to close down the agency completely by the end of the first quarter of fiscal year 1987?

   Based on our best estimates, the $95.4 million will fund all costs associated with termination of employees to include severance pay and terminal leave. In addition, it will amply fund the first quarter activities while phase-out operations are taking place, with the exception of those program funds slated for elimination such as SBDC, SBI, 7(j), etc.

2. With respect to the programs that are proposed for transfer to Commerce and Treasury, is the request adequate to support the necessary management and administrative support positions for those programs?

Both the Departments of Commerce and Treasury have had opportunities to review positions proposed for administrative support for the transferred functions. These administrative positions are approximately the same as requested in the 1986 budget to be transferred to Commerce and Treasury. Changes to these proposals may need to be made to reflect enacted legislation.

DISASTER LOAN FUND

1. How many additional disaster assistance centers have you had to open this fiscal year as a result of the natural disasters in Virginia, West Virginia, and the Far West?

Currently, all major disasters are declared by the President. All Disaster Assistance Centers (DAC's) are maintained by FEMA and they determine the times and locations required to open. SBA does not maintain separate DAC's in these disasters. However, here are some statistics that we do have:

	Puerto Rico	Virginia	West Virginia	California
1. Total DAC Locations	23	21	28	34
2. Most DACs at One Time	11	9	13	17
3. Total SBA-DAC Person Days	1,284	230	495	416
4. Total Volunteer Assistance to SBA-DAC Person Days	270	210	165	74

2. The committee recently approved a fiscal year 1986 supplemental appropriation bill which included $2,000,000 to be transferred from the Disaster Loan Fund to "Salaries and Expenses" for disaster loan making activities. Will this amount be sufficient to support your disaster assistance operations?

Based on our most current estimates the additional $2,000,000 to be transferred should be sufficient. This would bring the total amount available for Disaster activities to $32,000,000.

3. Recently $1.2 billion in unobligated balances in the Disaster Loan Fund was transferred to Miscellaneous Receipts of the Treasury. I believe that such a transfer is unprecedented. Why was it made and under what authority?

SBA, at the request of OMB, exercised its authority under Section 4(c)(5)(b)(i) of the Small Business Act. This section states that "Moneys in the funds established in subsection (c)(1) not needed for current operations may be paid into miscellaneous receipts of the Treasury."

Since these monies were not needed to fund FY 1986 program activities, they were considered excessive, and available for transfer to a miscellaneous receipts account. In addition, we were concerned that if these funds were transferred to other accounts they would be exempt from sequestration under Gramm-Rudman-Hollings and could diminish the deficit reduction potential of that act.

SURETY BOND GUARANTEES REVOLVING FUND

1. How much would be needed if Congress disapproves the proposal to eliminate SBA and the Surety Bond Fund is maintained at the current program level?

   The current services estimate for the Surety Bond Guarantees Fund is an appropriation request of $16.6 million for FY 1987.

Pollution Control Equipment Contract Guarantees Revolving Fund

1. What amount would be needed for this account if the Congress does not approve the proposal to eliminate SBA and maintains the Pollution Control Guarantees Fund at essentially the same level for FY 1987?

   The current services estimate for the Pollution Control Contract Guarantees Fund is an appropriation request of $21.0 million for FY 1987.

PRINTING COST

1. We are aware that the Public Printer, at the Government Printing Office, has certain initiatives to encourage Federal agencies to take maximum advantage of GPO commercial procurement contracts. Also, the new GPO electronic publishing procurements are now saving very substantial tax dollars. We would like to know what plans you may have to increase your reliance on GPO commercial procurements for both printing and electonic publishing.

   The SBA Printing Office currently has the following commercial procurement contracts that are provided by the Government Printing Office:

   Typesetting - This enables us to go directly to typesetters in the metro area. This the same procurement list GPO uses. We cut down on the time it takes to obtain services at a lower per item cost.

   Informational publications - All Business Development publications and management aids are sent out on a contract basis. This enables us to obtain a 15 day turn-a-round time and at a much lower cost. The contractor is assured of a constant flow of orders.

Graphics and designing - GPO permits agencies to contract out on an individual basis graphic services. This allows us flexibility in providing agency needs.

Contract printing - As with a typesetting contract, this allows us the flexibility to obtain medium sized jobs at a lower cost and faster turn-a-round.

Binding - The agency is permitted to contact directly, through a GPO contract, companies that provide book and publication binding. The contract is used to bind magazines, Federal Registers, and pamphlets into a book form.

Disk and tape conversion - This permits the agency to provide GPO the computer disks and tapes of publications that are very large or require specific set-ups only the agency can determine.

Mailing Services - GPO permits agencies to contract with bulk mailing and labeling firms, thus reducing postage and mailroom personnel costs.

SBA does not have the ability to provide to, nor connect with, any GPO electronic publishing databases. We are not completely aware of this ability, but do understand GPO will permit agencies to enter their requisition tracking system.

MISCELLANEOUS

1. What would be the impact on the activities of each agency in the Department if each agency received the same amount for FY 1987 that was appropriated for FY 1986 before sequestration with no other adjustment for uncontrollable items?

The current services estimates for salaries and expenses reflect that an increase of $4.6 million, for inflation, would be necessary to fund 1987 at the 1986 level. However, if adjustments were not made for fixed costs such as SLUC, FTS, etc., these increases would have to be absorbed in other areas such as personnel, day-to-day operating costs and program expenditures.

In the other fund areas, there are significant differences between the current services estimates and FY 1986 appropriations. If we were appropriated at the same level as FY 1986, in these areas, there would be serious effects on the agency's ability to disburse funds and honor guarantees.

2. If the Department received the same amounts in FY 1987 that it received in FY 1986 after sequestration, what would be the impact on the activities of each agency?

Many costs that increase yearly such as SLUC, FTS, rentals of equipment, contract costs, etc., will have to be reprogrammed from other areas. These increases would also have to be absorbed in other areas such as personnel, day-to-day operating costs and program expenditures.

3. What would be the impact on each of the agencies in the Department if each were to a percentage reduction of 8.4% below the FY 1986 amount, adjusted for sequestration or 12.7% below the enacted amount?

   A 12.7% reduction over the 1986 appropriation before sequestration would cause many of the various activities to operate well below current levels. Personnel ceilings would have to be significantly reduced, day-to-day operating expenses would be cut and program expenditures would be reduced.

4. What action is the Department taking to consider these possibilities — have you formed a task force or done any contingency planning?

   We are currently following the Administration's efforts to transfer the functions as proposed, and have not yet begun any contingency planning.

MONDAY, MARCH 24, 1986.

UNITED STATES INFORMATION AGENCY

NATIONAL ENDOWMENT FOR DEMOCRACY

WITNESSES

JOHN RICHARDSON, CHAIRMAN OF THE BOARD, NATIONAL ENDOWMENT FOR DEMOCRACY

CARL GERSHMAN, PRESIDENT, NATIONAL ENDOWMENT FOR DEMOCRACY

BRIAN ATWOOD, EXECUTIVE DIRECTOR, NATIONAL DEMOCRATIC INSTITUTE FOR INTERNATIONAL AFFAIRS

EUGENIA KEMBLE, EXECUTIVE DIRECTOR, FREE TRADE UNION INSTITUTE

JOHN SULLIVAN, DIRECTOR OF PUBLIC AND CONGRESSIONAL AFFAIRS, CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE

KEITH SCHUETTE, EXECUTIVE DIRECTOR, NATIONAL REPUBLICAN INSTITUTE FOR INTERNATIONAL AFFAIRS

Mr. SMITH. The hearing this morning is on the National Endowment for Democracy. The FY 1987 budget request for the Endowment is $20,111,000, an increase of $2,885,000 above the amount available for FY 1986, adjusted for sequestration under Public Law 99-177.

We shall insert the justifications in the record at this point.

[The justification material follows:]

NATIONAL ENDOWMENT FOR DEMOCRACY

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Appropriation Requirements (Relationship of Appropriation Estimate to Current Appropriation)	$18,500,000	$17,226,000	$20,111,000	$2,885,000

General Statement

The National Endowment for Democracy is a private non-profit corporation established in the District of Columbia in November, 1983. The Endowment is administered by an independent Board of Directors representing a broad range of private-sector organizations committed to the strengthening of democratic values and institutions around the world.

The purposes of the Endowment, as stated in its Articles of Incorporation, are:

1. to encourage free and democratic institutions throughout the world through private-sector initiatives, including activities which promote the individual rights and freedoms (including internationally recognized human rights) which are essential to the functioning of democratic institutions:
2. to facilitate exchanges between United States private-sector groups (especially the two major American political parties, labor, and business) and democratic groups abroad;
3. to promote United States nongovernmental participation (especially through the two major American political parties, labor, business, and other private-sector groups) in democratic training programs and democratic institution-building abroad;
4. to strengthen democratic electoral processes abroad through timely measures in cooperation with indigenous democratic forces;
5. to support the participation of the two major American political parties, labor, business, and other United States private-sector groups in fostering cooperation with those abroad dedicated to the cultural values, institutions, and organizations of democratic pluralism; and
6. to encourage the establishment and growth of democratic development in a manner consistent both with the broad concerns of United States national interests and with the specific requirements of the democratic groups in other countries which are aided by programs funded by the Endowment.

NATIONAL ENDOWMENT FOR DEMOCRACY

The authorization for the Endowment, the "National Endowment for Democracy Act," (P.L. 98-164, amended P.L. 99-93) establishes auditing and reporting procedures for the Endowment and provides that the United States Information Agency make an annual grant to the Endowment to carry out the purposes stated above. The Endowment does not carry out programs directly but provides funding for the activities of numerous other private groups and organizations.

The 1987 estimate for NED programs totals $20,111,000. This amount is part of the overall 1987 budget level proposed by the Administration to enable NED to consolidate the rebuilding and enhancement of its program capabilities accomplished or planned prior to the 1986 reductions required by the Balanced Budget and Emergency Deficit Control Act of 1985. In recognition of this, the 1986 cuts will be accommodated largely through deferrals and one-time reductions. This document reflects the application of the overall 4.3 percent reduction to each major program activity. However, NED is still assessing the impact of an overall 4.3 percent reduction, and we expect that the reduction will not be applied evenly to all grants in order to avoid especially disruptive effects on certain programs.

The net increase of $2,885,000 is requested to provide $756,000 for inflationary increases in 1987, $774,000 to sustain programs affected in 1986 by reductions under the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177), and to provide $1,355,000 for program development and enhancements to programs initiated in the Endowment's initial years of operation.

The proposed budget for fiscal year 1987 is based on estimated needs and opportunities worldwide and takes into consideration both regional program potential and institutional capabilities. With administrative procedures and full staff in place and a foundation for program development well established, it is anticipated that viable requests for assistance will total much more than the full amount requested for fiscal year 1987. It is the policy of the Endowment to fund requests which respond to the expressed needs of those the program is intended to assist. Because the Endowment Board is unable to predetermine the nature and quality of the proposals which will be submitted, the priorities which it sets must remain somewhat flexible. At the same time, the Endowment has already identified and is funding a number of very high quality programs which are likely to be refunded if this is justified by careful evaluation. This introduces an important element of predictability and continuity. The budget projections which follow are intended to accommodate that flexibility as well as to indicate the overall program direction and goals of the Endowment.

The Endowment is developing and funding programs in five substantive areas: (1) pluralism, (2) democratic governance and political processes, (3) education, culture and communications, (4) research, and (5) international cooperation. Encouraging the development abroad of strong, independent private-sector organizations -- especially labor unions and business associations -- is one of the Endowment's top priorities. Of comparable importance are efforts to strengthen the political institutions and processes of unstable or newly emerging democracies. A third program category to which the Endowment intends to devote a significant portion of its resources involves activities in the area of education, culture and communications. Research and international cooperation receive much more modest funding, but they are nonetheless critical to the Endowment's overall program.

NATIONAL ENDOWMENT FOR DEMOCRACY

Summary of Direct Obligation Requirements a/

Program Categories & Resources	1985 Actual a/	1986 Estimate	1987 Estimate	Increase or Decrease (-)	Page Ref.
A. Pluralism	$ 16,506,000 b/	$ 8,130,520	$ 9,122,000	$ 991,480	4
B. Democratic Governance and Political Process	402,000 b/	5,082,200	5,702,000	619,800	10
C. Education, Culture and Communications	572,000	2,879,580	3,231,000	351,420	11
D. Research and Scholarly Cooperation	--	338,480	380,000	41,520	12
E. International Cooperation	107,000	508,220	570,000	61,780	13
F. Program Direction and Administration	913,000	1,061,000	1,106,000	45,000	13
Total, Direct Funds (Comparative Basis)	18,500,000 a/	18,000,000	20,111,000	2,111,000	
G. Pro-rata Reductions Pursuant to P.L. 99-177	xxx	-774,000	--	774,000	
Total, Revised and Estimated Appropriations	xxx	17,226,000	20,111,000	2,885,000	

a/ For comparative purposes, includes $18,500,000 in 1985 which was appropriated for grants to the National Endowment for Democracy as part of the Salaries and Expenses appropriation. In 1986, funds were provided in a separate appropriation.

b/ In fiscal year 1985, despite the fact that the Endowment's total appropriation was only $18.5 million, the Endowment was required to comply with earmarks contained in authorizing legislation which awarded $13.8 million to the labor grantee, the Free Trade Union Institute, and $2.5 million to the Center for International Private Enterprise, the business grantee of the Endowment. At the same time, in the 1985 appropriation, Congress prohibited funding to either the National Democratic or the National Republican Institutes for International Affairs. Taken together, these two factors resulted in 1985 budget allocations that were significantly less evenly distributed than they would have been had the Endowment received the full authorized level of $31.3 million.

NATIONAL ENDOWMENT FOR DEMOCRACY

A. Pluralism (1985 Actual, $16,506,000; 1986 Estimate, $8,130,520; 1987 Estimate, $9,122,000; Increase, $991,480).

An essential precondition of democracy is the existence of a variety of autonomous organized groups representing diverse interests. Exercise of the basic right of freedom of association, recognized both in our own First Amendment and in many international agreements, enables individuals with common interests to combine into strong and independent organizations that can represent the views and protect the rights of their members. Where this kind of pluralism is allowed to flourish, it is likely that undemocratic political systems ultimately will have to accommodate to a process of free and fair competition for power. And in functioning democracies, vigorous private-sector institutions present powerful obstacles to unwarranted extensions of governmental authority. Moreover, these organizations serve as "schools of democracy," accustoming their members to the free discussion, accommodation of differing views, and respect for procedural rules that are intrinsic to democratic politics.

The two largest and most important elements of pluralism in the economic sphere are business and labor. In recognition of their central role the AFL-CIO's Free Trade Union Institute and the Center for International Private Enterprise are core grantees of the Endowment. These institutes each carry out a series of integrated programs aimed at strengthening the contributions to democratic pluralism of their counterparts abroad.

Free and independent trade unions play an indispensable role in the process of democratization. Encouraging their growth and stability constitutes a fundamental part of the Endowment's effort to promote democracy. A significant portion of the Endowment's program resources is devoted to this area of work through an annual grant to the Free Trade Union Institute (FTUI).

The Free Trade Union Institute has organized its program into six substantive categories. These categories are defined below with a brief description of FY 1985 programs being supported by FTUI and indications of areas for expansion and the creation of new programs in FY 1987.

a. Institution Building: Aid to national trade union centers and international trade secretariats for infrastructure development; organizational support for regional trade union groups and for international labor organizations; efforts to counter anti-democratic subversion; funds for emergency organizational support; and funds for trade union exiles.

The bulk of programs sponsored by the Free Trade Union Institute involve helping sister unions develop democratic structures as a bulwark against Communist subversion and as essential to any transition from authoritarian forms of government to democratic ones. Among such unions the Free Trade Union Institute is already assisting are those in:

- Chile, where a democratic union survives under severe government restriction, even as well-funded communist efforts support the growth of trade union rivals;
- Poland, where the government continues to harass Solidarnosc, the only strong, democratically-inspired union to emerge in a communist country;
- The Philippines, where poverty and the exploitation of rural workers has created conditions ripe for anti-democratic subversion;
- Portugal, where democratic unions still face tough competition from anti-democratic labor forces; and
- South Africa, where democratic trade unionism offers a peaceful path toward racial justice.

b. Exchanges: Travel that is specifically tied to other types of programs, especially comprehensive training, conferences, study, etc. For example, a project set up to assist with the development of trade union publications might incorporate visits of trade union experts from the United States to advise trade unionists on these matters. Or, they might include visits of foreign trade unionists to the United States to see how trade union publications are run.

c. Training and Civic Education: Seminars on parliamentary procedure and democracy; education on how to organize and service members; publication and dissemination of materials.

Numerous democratic unions need more expertise on how to recruit pro-democratic members and how to maintain representative structures. Others would like to sponsor serious discussions on domestic policy questions that may have a bearing on the democratic future of their countries. In some instances, the dissemination of union positions can offset the propaganda efforts of competitive anti-democratic elements. FTUI-sponsored efforts already under way include, for example:

- Projects with a number of Latin American unions involving training and materials on conducting union business using democratic procedures;
- A cooperative effort with the major democratic union in Venezuela to train other Latin unionists on how members can become more involved in domestic policy questions; and

- A publications program with Philippine trade unionists to help them develop a publications capability required to offset extensive communist propaganda.

d. Electoral Processes: Training dealing with electoral processes, get-out-the-vote efforts, and building organizational capability to urge membership voting participation.

Many democratic unions find themselves in transitional political situations. These unions have requested American labor's help in heightening voter awareness and in preparing the unions themselves to monitor elections and act as guarantors of democratic political developments.

Examples of programs already under way include assistance to unions in a number of Central American countries seeking to mobilize their members to vote. The Free Trade Union Institute also supported a voter education program in Liberia.

e. Democratic Pluralism: Research and publications promoting democratic values or exposing those who oppose them; efforts to counter anti-democratic subversion; projects to assist democratic efforts in totalitarian or dictatorial countries; the international promotion of American labor's positions; and support for trade union publications.

Information to counter the propaganda efforts of anti-democrats and to expose the violation of trade union rights may be collected and disseminated by unionists, or by other organizations with which they have ties. Research institutes and organizations of intellectuals and trade unionists concentrating on trade union freedoms have received considerable funding from the Free Trade Union Institute. Among these are:

- A number of European research and publication centers which collect information on democratically-inspired labor developments in Vietnam, Eastern Europe and the Soviet Union;
- A labor education school in Colombia;
- A Latin American "labor watch" project to monitor trade union freedoms; and
- A trade union education program for the African region which emphasizes the development of democratic organizational skills.

f. Democratic Development: Support for labor-related projects such as land reform, community development and aid to international organizations, like the International Confederation of Free Trade Unions, which sponsor similar efforts.

Frequently, democratic trade union development relies on the corresponding development of technical expertise. Particularly in the case of Third World unions, technical assistance enhances union capability to organize and service members.

A significant proportion of FY 1987 resources will go into programs already in operation. Brief descriptions of some existing projects are:

- Support for a pilot land-use project in Niger; and
- Support for a country-wide program in the Philippines which includes a civic education component, trade union organizing and membership services and support for trade union publication efforts.

In support of programs designed to foster the development of open market, private enterprise systems and the growth of independent business institutions as a means of encouraging the development of democratic pluralism abroad the Endowment awards an annual grant for the work of the Center for International Private Enterprise (CIPE), an affiliate of the U.S. Chamber of Commerce. An Executive Council, including other U.S. private business organizations, corporations, small businesses, chambers of commerce, academic institutions, foundations, and international business experts, assists in the development of CIPE's programs.

CIPE has identified a number of model programs to provide a basis for continued programming. For example, over one hundred foreign association executives have received advanced training at the U.S. Chamber's Institutes for Organization Management through scholarships provided by CIPE. Each participant is expected to become a key resource in efforts to create Institute programs located in regional centers abroad.

In addition, CIPE has provided funding to the Institute for Liberty and Democracy (ILD) in Peru. ILD's work has demonstrated that 60% of Peruvian businesses operate outside of the available legal framework, not because of a desire to avoid the law, but because access to the economic system is blocked by layers of regulations. ILD has now institutionalized its method of commenting on proposed regulation through its relationship with *Caretas*, a Peruvian news magazine. ILD is serving as a model for replication in the Dominican Republic, El Salvador, Venezuela, Argentina and elsewhere in the hemisphere. Numerous African organizations have contacted ILD to begin exploring the "informal economy" in their countries.

Other CIPE projects include support for a conference on entrepreneurial development in Africa, programs to promote the concept of private enterprise in Mexico, a study of the Spanish educational system, creation of a research clearinghouse, a publication program, and similar efforts.

CIPE's program is carried out in the substantive areas described below:

a. Association Development: This program category focuses on a key CIPE objective -- the strengthening of voluntary business organizations abroad as a means of fostering democratic pluralism. The program will result in the creation of three regional Institutes for Organizational Management, as well as the expansion of management and technical assistance more generally. This will allow CIPE to provide greater in-depth institution building assistance to meet the needs of counterpart business organizations around the world.

b. Education/Communications: One of the principal needs identified by business organizations worldwide is assistance in strengthening the teaching of private enterprise and assistance in business communications to reach specific audiences (i.e., media, political leaders, employees, youth and others). An orderly expansion of CIPE's efforts is planned for each of the program areas in this category.

c. Business Advocacy and Network Building: Program expansion is based on the conviction that creation of open market, private enterprise systems is a key factor in strengthening pluralism. In the earlier program years, CIPE funded several model programs and plans to replicate these models in other countries and regions in FY 1987. One such program, the twinning of counterpart groups between countries, is being expanded as it has proven to be an excellent program approach in accomplishing CIPE's objectives.

d. Research and Publication: Very little information is available on the needs and concerns of voluntary business organizations on a country-by-country basis. In FY 1984, CIPE funded regional surveys in East Asia, Latin America, and Africa and expanded the process into South Asia and the Near East/North Africa in FY 1985 and 1986. The program will produce a number of research reports, translations, and collected materials, as well as the beginning of a management library for business association. The research budget is for both research and demonstration programs as well as special projects.

Opening Remarks

Mr. Smith. When we called this hearing, we didn't know that Congress would be in recess, and I don't know how many more Members will be here, but we are going ahead anyway because we have got to get our hearings over with.

From the beginning, the National Endowment for Democracy has been controversial, to say the least. The Administration has very strongly supported it, and the subcommittee has supported it. In fact, this subcommittee even supported it before it was authorized and funded, but it seems that each year some incidents occur that appear to be bad judgment at least, and unfortunately, the timing seems to be just before we mark up the bill.

Last year it was a program in France and the year before it was Panama. The basic law was changed a year ago to some extent, and in our conference report we found it necessary to limit the amount for any one institute to 25 percent of the total amount.

The final appropriation for FY 1986 was $18 million. We had $19.3 million in the House, and the Senate had wanted to either eliminate funding or at a maximum provide $10 million. We finally arrived at $18 million for this year.

I don't know what we are going to do for the coming year. I know that budgets are tight, and there will be a demand to eliminate this program. I don't know if we will extend it at the same level, if we will limit the amount of funding, if we will provide money with limitations on how it can be used, or if we eliminate the program entirely. But I know that without this subcommittee NED would not have existed at all, and I know that the Members of the House expect this subcommittee to scrutinize how the funds are being appropriated, and they will expect that we do this when we mark up the bill and report the bill to the floor.

This is a hearing on the FY 1987 request, but also we are going to look at how the Endowment has operated in 1986, and especially in two of the countries that have been most in the news, Nicaragua and the Philippines. That is where we have had a considerable amount of attention, and where this kind of program isn't supposed to determine the outcome of the struggles, but it would have had some effect presumably, if it had fulfilled the hopes and goals of the people who promoted the program.

First, I think we ought to lay out for the record just how this program operates. I find many of my colleagues in the Congress, for example, don't know how it operates. They think that the National Endowment is directly involved in activities and they don't realize just how it is set up. Our appropriation, of course, is made to USIA, and they give the money to the Endowment. Let's just take 1986, for example.

Last year we appropriated $18 million. Did USIA give that to the Endowment in one lump sum or in installments or how was it given to you?

Mr. Richardson. Mr. Chairman, may I tell you who is present at the table?

Mr. Smith. Yes.

Mr. Richardson. I am Chairman of the Board of the Endowment, John Richardson. On my extreme left is the representative of the Center for International Private Enterprise, the Director for Public and Congressional Affairs, John Sullivan. Immediately to my left is Eugenia Kemble, who represents the Free trade Union Institute. On my right is the President of the Endowment, Carl Gershman. To his right is Keith Schuette, the Executive Director of the Republican Institute for International Affairs. And sitting down now to his right is the Executive Director of the National Democratic Institute for International Affairs, Brian Atwood.

The board listed on the inside of the annual report which you have in front of you, Mr. Chairman, is a representative board, and that is the start of the answer to who we are and what we do. It is representative of the broad center in the United States, and includes some very leading citizens who give a lot of time and a lot of effort. We had our most recent board meeting just two and a half weeks ago, and the turnout particularly among the leading people was really impressive.

They work at it. We make grants. That is what we do. We don't carry out programs. We make grants, and they are made by the board. Every grant we make is made by the board with a quorum present, and so they take responsibility for what we do.

Our Endowment partners, these four institutes, are similarly constituted with first-class boards of serious people, who from their own perspectives make grants within the parameters of the framework that we originally set up and which is set forth in the policy paper, as you recall, which we passed some year and a half ago.

We are, of course, in a very tricky business, there is no question. It is a difficult business, and mistakes will be made from time to time. But I think if, as this testimony continues, you and any colleagues that may be here would keep an eye on that annual report toward the back of the report, between pages 32 and 47 there is a list of the grants made in 1986.

I think it will give you a feel for what the whole enterprise, the four institutes and the Endowment, are doing. That is all I want to say by way of introduction, Mr. Chairman. I would like Mr. Gershman to take over from there.

Mr. SMITH. Do you want to say a brief word? We have your statement. We will put it in the record.

Mr. GERSHMAN. Would you like me not to read that and just to respond to questions? I will be happy to do so.

Mr. SMITH. You can make a brief statement if you want to.

GENERAL STATEMENT

Mr. GERSHMAN. I will summarize, then, Mr. Chairman, the statement.

We understand that one of the reasons this hearing was called was because of some of the concerns expressed in the press last week about our programs in Nicaragua, and I am eagar to discuss those. We believe that the stories contributed to a real misunderstanding, and hopefully we can clear that up.

We also understand that you would like to discuss the Philippines, and since our major grantees are seated at this table, the Free Trade Union Institute, the Center for International Private Enterprise and the National Republican Institute and the National

Democratic Institute are here and they played such an important role in the turn toward democracy there, I am sure it is very important to hear from them today on their contributions there.

I think that we have, in the two brief years in which we have been in business, undertaken many important programs. Unfortunately, it is the few that somebody has a complaint about which get into the press when there have been literally hundreds of programs which, I think, represent an extraordinary contribution to the democratic cause in the world, to which no attention is paid. I have a list which I would like to submit of 110 projects which have been approved just for 1986 alone so far by our board.

We seek in our efforts, Mr. Chairman, not to tell others how we think it would be best to promote democracy in their country, but to be responsive to the needs and the wishes of indigenous democratic groups which are struggling for democracy in their own countries. I think the reason why some of these programs are so good is that they derive from the efforts and struggles of groups involved in the day-to-day effort to promote democracy in their country.

It is my firm conviction based upon our experience in the Endowment in the last two years—and it's a bipartisan, broadly representative board—that the objectives which the Endowment seeks to accomplish of promoting democracy enjoys wide bipartisan support in this country.

I think that should remind us that while our country may vigorously debate certain issues of foreign policy, the question of support for democracy is the bedrock on which broad bipartisan consensus can be built in the country, and I think this is true even with respect to so controversial an issue as Nicaragua. No one, for example, has questioned the appropriateness of our support for such elements of the democratic civic opposition as La Prensa or the Permanent Commission on Human Rights.

In conclusion, I just want to note I was reading yesterday in The New York Times Magazine an article by A.M. Rosenthal, the executive editor of that newspaper who spoke eloquently of the plight of those around the world who were denied freedom by governments of both the left and the right, and the need to remember that political freedom is at the core of our beliefs as a people and our interests as a nation and have defended and promoted political freedom, which is surely the major challenge facing us in the world.

I submit that the National Endowment for Democracy offers a new and vital instrument for the promotion of freedom in the world. I will be happy to answer any questions, Mr. Chairman.

[The prepared statement of Mr. Gershman follows:]

NATIONAL ENDOWMENT FOR DEMOCRACY

Through a variety of other grantees, the Endowment also provides support to strengthen other kinds of private-sector organizations abroad. For example, the Endowment funds programs that seek to reinforce the democratic character of cooperatives and to enhance their contribution to the democratization of developing countries. It is also assisting civic and social organizations, such as those designed to increase the democratic participation of women and youth. In FY 1987 it expects to continue to expand its activities in this area through work with organizations of youth and ethnic minorities, as well as groups dedicated to the promotion of human rights and religious freedoms.

Examples of programs already funded include:

- A grant to the National Council of Negro Women to train women leaders in Guinea, Botswana, Swaziland and Lesotho in democratic principles and organization-building;
- A grant to the Overseas Education Fund to assist Conciencia, a nonpartisan Argentine women's organization, in a country-wide civic education project; and
- Support for the Institute for Transition in Chile to educate and train about 2,500 university, labor, rural and urban youth leaders in the principles of democracy.

B. Democratic Governance and Political Processes (1985 Actual, $402,000; 1986 Estimate, $5,082,200; 1987 Estimate, $5,702,000; Increase, $619,800).

Democracy requires a system of representative government in which leaders are chosen in freely contested, fair and periodic elections, and the rights of individuals and groups within a society are assured through the just and equitable rule of law. The Endowment is seeking to strengthen such systems in countries where democracy is newly-established, fragile or under challenge from anti-democratic forces of the left or right. The Endowment is also seeking to facilitate and encourage a transition to democracy where such opportunities for a positive evolution exist. Even in non-democratic countries, the Endowment expects to be able to work with certain official institutions -- e.g. an independent judiciary -- whose strengthening may facilitate an eventual emergence of democratic rule.

A democratic political system requires strong, stable political parties committed to the democratic process. In FY 1984 the Endowment committed a significant portion of its program resources to this area, working through the National Democratic (NDI) and National Republican (NRI) Institutes for International Affairs to aid parties abroad. For FY 1985, however, Congress prohibited funding for these two major party institutes, resulting in the sharp drop in FY 1985 expenditures reflected above. In FY 1986, these political development institutes are again eligible for Endowment funding.

The essential role of political parties in any stable democracy is universally accepted and the goal of strengthening their participation in the political process remains a high priority of the Endowment. For this reason, the Endowment will provide significant support for the work of these two institutes.

Examples of programs undertaken by NDI and NRI include:

- NDI is currently undertaking a program to assist the Brazilian legislature develop a congressional budget system as part of an effort to strengthen this key democratic institution. The program will begin with a joint US-Brazilian examination of the process; in phase II, NDI will provide technical assistance.

  NDI is also sponsoring a workshop with members of the Argentine legislature to examine ways to strengthen the legislative process in this new democracy. Topics to be addressed include strategies for issue formulation, more effective constituency outreach, and improved access to reliable data.

- In Bolivia, the NRI continues to work with the Fundacion Boliviana para la Capacitacion Democratica (FUNDEMOS), a private, nonprofit public policy research institution in La Paz. NRI is supporting a leadership training program carried out by FUNDEMOS which focuses on the history, theory and practices of organizing and sustaining democratic institutions. The project encompasses moderate, democratic political parties as well as nonpartisan private-sector groups from throughout Bolivian society.

NATIONAL ENDOWMENT FOR DEMOCRACY

In 1984, the NRI contributed to an extremely successful, nonpartisan voter mobilization effort in Grenada. The institute is continuing its support of the nonpartisan Grenada Civic Awareness Organization (GCAO) in a program of democratic education in secondary schools and teachers' colleges. NRI is also providing technical and training assistance to the New National Party (NNP) of Grenada and helping to rebuild the collection of the Grenadan Library of Parliament.

The Endowment will also seek to strengthen democratic governance and political processes through other kinds of programs, including technical assistance in the design and administration of election systems, support for nonpartisan public policy institutes that pursue democratic goals, efforts to enhance judicial independence and effectiveness, and programs aimed at encouraging the commitment to democracy of key public-sector groups, including the military.

- In this area, the Endowment is currently funding the Southern African Legal Services and Legal Education Project (SASLEP) to support the Legal Education Trust of the Black Lawyers Association of South Africa. The Legal Education Trust conducts legal aid programs and continuing legal education to supplement the legal training available to black lawyers in South Africa. It is dedicated to developing a core of black lawyers committed to the rule of law.

- In Paraguay, support is being provided to the Paraguayan Institute for International and Geopolitical Studies to establish a Democratic Study and Research Center. The Center seeks to encourage those working for a transition to democratic rule in a country which has ruled, for the most part, under the state-of-siege provision of its constitution almost continuously since 1929.

- In Guatemala, support is being provided to the Centro de Estudios Politicos (CEDEP) and Asociacion de Investigacion y Estudios Sociales (ASIES), two nonpartisan organizations sponsoring dialogues, training programs and civic education designed to strengthen the emerging democratic institutions in that country.

C. Education, Culture and Communications (1985 Actual, $572,000; 1986 Estimate, $2,879,580; 1987 Estimate, $3,231,000; Increase, $351,420).

Another essential aspect of the Endowment's work is directed at the realm of education, culture and communications. Democratic political institutions will not take hold and endure unless they are buttressed by a strong civic culture and supported by a populace that is committed to such ideals as the rule of law, individual liberty, free and open debate, majority rule, and protection of the rights of minorities. Training in democratic habits and principles is most effective if it begins during youth. The Endowment has funded both democratic political training for young people in Panama and civic education for school children in a free region of Afghanistan. The Endowment will also consider support for university-based programs in countries where institutions devoted to intellectual freedom are being threatened by anti-democratic forces.

The general prospects for the advance of democracy in the world depend in large part on the cogency and vigor with which its advocates can defend the case for free societies. Accordingly, the Endowment will support programs aimed both at improving popular understanding of democracy -- through, for example, the dissemination of books, films, or television programs -- and at promoting contacts among pro-democratic intellectuals, writers, scientists and artists. Efforts in the realm of culture and opinion assume special importance with regard to closed societies, where other levers for promoting progress toward democracy are generally not available. The Endowment has funded many programs designed to encourage and sustain a degree of independent public opinion in such countries as Poland, China, and the Soviet Union.

The indispensability of a free and vigorous press to democratic societies argues for an active Endowment effort aimed at encouraging democratically-oriented journalistic enterprises in the Third World. The Endowment has already received and is actively exploring a number of promising proposals for grants in this field from Africa, the Caribbean and Central America. The kinds of programs it is considering include professional training in news gathering and reporting; assistance to journalistic associations and other groups dedicated to promoting and defending a free press; and aid to print and electronic media that serve as forums for free discussion and the advancement of democratic ideas. Programs in this area include support for La Prensa in Nicaragua; Libro Libre, a democratic book program for the entire Central American region; and Forum, a program of enhancing democratic values in Turkey through the production of magazines and books and through youth training.

D. Research and Scholarly Cooperation (1985 Actual, $ - 0 -; 1986 Estimate, $338,480; 1987 Estimate, $380,000; Increase, $ 41,520).

Although most of its grants support action-oriented programs, the Endowment believes that well conceived and clearly targeted research can usefully contribute to the effort to promote democracy. Accordingly, it allocates a small portion of its resources to funding research. The Endowment will make grants for studies that will both aid it in carrying out its mission and be of considerable interest to a wider audience. These include: (1) general or comparative studies on the preconditions and prospects of democracy; (2) studies that evaluate the effectiveness of previous and existing efforts to promote democracy; and (3) studies focused on the problems of democracy in particular regions or countries in which the Endowment has a special interest. An increase in regional and/or country-specific studies is envisaged for FY 1987.

NATIONAL ENDOWMENT FOR DEMOCRACY

E. International Cooperation (1985 Actual, $107,000; 1986 Estimate, $508,220; 1987 Estimate, $570,000; Increase, $61,780).

Encouraging regional and international cooperation in the effort to build and strengthen democracy is an important priority for the Endowment. Thus, the Endowment will make grants for programs aimed at promoting greater cohesion among the democracies and enhancing coordination among democratic forces.

Toward this effort, the Endowment has funded a program aimed at bringing together representatives of the world's democracies to establish a new association of democracies.

F. Program Direction and Administration (1985 Actual, $913,000; 1986 Estimate, $1,061,000; 1987 Estimate, $1,106,000); Increase, $45,000).

Under this heading are grouped the activities of the Board of Directors, officers and Endowment staff which include: program development; grants management; public information; and general administrative functions. As the number of ongoing programs increases, the Endowment's oversight and administrative responsibilities continue to expand. This, as well as inflationary factors, accounts for the modest increase in projected administrative expenditures.

SPECIAL HEARINGS ON THE NATIONAL ENDOWMENT FOR DEMOCRACY
HOUSE SUBCOMMITTEE ON APPROPRIATIONS

OPENING STATEMENT OF CARL GERSHMAN, NED PRESIDENT
MARCH 24, 1986

Mr. Chairman:

The National Endowment for Democracy is pleased to be here this morning and to have this opportunity to discuss some of the activities undertaken by the Endowment.

Endowment funds have been instrumental in bringing together representative American institutions with other key democrats from around the world to work at the difficult task of building democracy.

An effort as complex and as difficult as the promotion of democracy in foreign cultures should not be undertaken with unrealistic expectations. Some may be skeptical that it can be done at all. To the degree that the skepticism is born of a healthy awareness of the many pitfalls and obstacles that might complicate this effort, it is all to the good. I must add to this that, if such skepticism is not coupled with democratic conviction and a readiness to take prudent risks on behalf of democratic values, then it will only feed an attitude of passivity and resignation in the face of the historic challenge to democracy worldwide.

Just this weekend I returned from a two-week visit to South Africa. I can think of no country in the world where problems are more complex or intractable. But we cannot walk away from those problems. On the contrary, we must assist those who seek democracy as the only alternative to escalating anger and fear, violence and suffering.

I understand that one of the reasons we are here today is to respond to an issue that appeared in the press last week concerning some of our programs in Nicaragua. I am eager to discuss any questions you may have as a result of those stories, since I believe they have contributed to real misunderstanding about how the Endowment functions. But I also hope we will have a chance to engage in a substantive discussion of those programs as well as other Endowment-funded programs in countries in Central America and in other countries around the world, especially the Philippines. Since it is our major grantees -- the Free Trade Union Institute, the Center for International Private Enterprise, the National Republican Institute for International Affairs, and the National Democratic Institute for International Affairs -- who have been active in the Philippines assisting in the dramatic turn toward democracy there, I believe a discussion of those programs will illustrate for you how central the involvement of these key American institutions is to the objectives of the Endowment.

I believe the American organizations which have participated in Endowment programs -- our four major grantees as well as the range of smaller U.S. groups -- deserve a great deal of credit for their willingness to engage in this work, which may involve a degree of risk for each of them. In many cases, these are very small organizations which contribute a great deal of voluntary time and their own resources to implement our programs and are willing to do so because of their overriding commitment to democracy. Each does so with an understanding that it is working with funds appropriated by Congress and recognizes the special responsibilities for accountability that go along with the use of this money.

Before we move on to responding to your specific questions, I would like to emphasize that one of the key tenets of Endowment policy -- contained in the Board's Statement of Principles and Objectives -- is that its "assistance must be responsive to local needs and seek to encourage -- but not control -- indigenous efforts to build free and independent institutions." There is no ready-made blueprint which describes how democracy can be strengthened in particular countries. The programs which the Endowment supports -- and many others which are in the preparatory stage -- are products of the struggles, needs and ingenuity of varied individuals and organizations. Moreover, the Endowment has been especially interested in assisting those who are already actively pursuing democratic ends -- whose democratic activism, in other words, is assisted by support from the Endowment, not contingent upon it.

The role of the indigenous democratic groups in the struggle for democracy is indispensable. Genuine and devoted democrats are found throughout the world. Often they are working under difficult conditions, competing against well-funded totalitarian rivals, and in need of financial and moral support.

Here, Mr. Chairman, I would like to submit for the record the list of Endowment-supported projects that is contained in our 1985 Annual Report.

Mr. Chairman, it is my firm conviction, based upon my two years experience with the Endowment and its bipartisan, broadly represented Board, that the objective of assisting such democratic groups enjoys wide bipartisan support in this country. Indeed, such support should remind us that while our country may vigorously debate certain issues of foreign policy, the question of support for democracy is the bedrock on which a broad bipartisan consensus can be built. This is true even with respect to so divisive an issue as Nicaragua. No one, for example, has questioned the appropriateness of our support for such elements within the democratic civic opposition as La Prensa and the Permanent Commission on Human Rights.

Just yesterday I was reading a wonderful article in the New York Times Magazine by A. M. Rosenthal, the executive editor of that newspaper. He spoke eloquently of the plight of those around the world who are denied freedom by governments of both the left and the right, and of the need to remember that political freedom is at the core of our beliefs as a people and of our interests as a nation. How to defend and promote political freedom -- true democracy -- is surely the major challenge facing us in the world.

I submit that the National Endowment for Democracy offers a new and vital instrument for the promotion of freedom.

And now, Mr. Chairman, we would be happy to respond to any questions you may have concerning our programs and procedures.

1986 GRANT FROM USIA

Mr. SMITH. Last year we provided $18 million. Was that given to you in one lump sum or in smaller amounts, or how was it done?

Mr. GERSHMAN. We signed a grant agreement for that amount.

Mr. SMITH. For the full amount?

Mr. GERSHMAN. For the full amount.

Mr. SMITH. You draw on it then, do you?

Mr. GERSHMAN. We draw on it.

Mr. SMITH. Are any conditions in that grant agreement?

Mr. GERSHMAN. We sign a grant agreement with USIA which has many conditions, including all the new conditions which the Congress requested.

Mr. SMITH. Essentially it is the ones in the law?

Mr. GERSHMAN. Yes, and the conditions which pertain to any use of federal funds, regarding OMB's Circular 122 and A110 for example.

Mr. SMITH. How many are on your board?

Mr. GERSHMAN. We have 17 members.

Mr. SMITH. And you said they are broadly representative. We will put in the record the names and general description of who they represent.

[The information follows:]

NATIONAL ENDOWMENT FOR DEMOCRACY

BOARD OF DIRECTORS

Ms. Polly Baca, Vice Chairman, Democratic National Committee, State Senator, Colorado.

Ambassador Willian E. Brock III, U.S. Secretary of Labor.

Mrs. LeGree Daniels, Vice Chairman, Republican National Committee, Presidential Appointee, Advisory Committee for Trade Negotiations.

Mr. Frank J. Fahrenkopf, Jr. (Vice Chairman), Chairman, Republican National Committee.

Congressman Dante B. Fascell, U.S. House of Representatives.

Senator Orrin G. Hatch, U.S. Senate.

Mr. Lane Kirkland, President, AFL-CIO.

Dr. Henry A. Kissinger, Kissinger Associates.

Mr. Charles T. Manatt, Manatt, Phelps, Rothenberg and Tunney, Chairman, Democratic National Committee, 1981-1985.

Mr. Louis Martin (Secretary), Assistant Vice President for Communications, Howard University, Special Assistant to President Jimmy Carter, 1978-1981.

Mr. Walter Mondale, Winston and Strawn.

Mr. John Richardson (Chairman), President, Youth for Understanding, Assistant Secretary of State for Educational and Cultural Affairs, 1969-1977.

Dr. Olin Robison, President, Middlebury College, Chairman, U.S. Advisory Commission on Public Diplomacy, 1978-1981.

Mr. Albert Shanker, President, American Federation of Teachers, Vice President, AFL-CIO.

Ambassador Sally Shelton-Colby, Vice President, Bankers Trust Company, U.S. Ambassador to Barbados, Grenada and eight other Caribbean nations, 1979-1981.

Mr. Charles H. Smith, Jr., Chairman of the Board, SIFCO Industries, Inc., Former Vice President, U.S. Chamber of Commerce.

Mr. Jay Van Andel, Chairman of the Board, Amway Corporation, Former Chairman, U.S. Chamber of Commerce.

LIST OF 1985 AND 1986 GRANTS

Mr. SMITH. You have a list, you say, in your report of the grants that are made this year?

Mr. RICHARDSON. Made last year?

Mr. SMITH. Made last year.

Mr. GERSHMAN. We have a list of the programs approved so far this year by our board.

Mr. SMITH. We will put both of those in the record, too.

[The information follows:]

NATIONAL ENDOWMENT FOR DEMOCRACY
Regional Listing of Programs Funded in FY 1985

AFRICAN PROGRAMS

CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE PROGRAMS

- ZIMBABWE NATIONAL CHAMBER OF COMMERCE, (ZNCC), to strengthen the membership base and branch office activities of the ZNCC through the expansion of a training and education program aimed principally at rural businessmen and women.
  $135,165

- STELLASCOPE DEVELOPMENT SERVICES LTD., Nairobi, Kenya, to research and organize a seminar to analyze the policy implications of the Kenyan informal market as it functions at domestic and transnational levels.
  $40,240

FREE TRADE UNION INSTITUTE PROGRAMS

- SOUTH AFRICA PROGRAM, assistance to Frontlash, a youth organization affiliated with the AFL-CIO, for a program designed to build cooperation between democratic student and youth groups in the U.S. and South Africa.
  $86,028

- ARABIC-SPEAKING AFRICA, a regional training effort, with an emphasis on organization. The program takes advantage of improved relations between U.S. labor and Egypt, which in turn has set the stage for expanded relationships with trade unions in Sudan, Somalia and Djibouti. The effort also includes assistance to trade union exiles.
  $232,000

- ELECTORAL PROCESSES PROJECT, to provide material assistance and expertise to help unions throughout Africa, through a conference of African trade union legislators and trade union leaders, to exchange views on and evaluate strategies for voter education and mobilization. A special focus of the project in 1985 was voter education and mobilization in Liberia.
  $234,000

- ENGLISH-SPEAKING AFRICA PROGRAM, to train and provide institution-building support for democratic trade unionists in Nigeria, Ghana, Sierra Leone, and The Gambia.

  $195,000

- EXCHANGES, to improve basic trade union skills and strengthen links between African labor leaders and their U.S. counterparts. To date, trade unionists from Egypt, Kenya, Uganda, Chad, Zimbabwe and Mauritius have participated in the exchange program.

  $70,000

- FRANCOPHONE AFRICA, a regional effort based in the Ivory Coast to provide institution-building and organizing support for trade unions in Guinea, Senegal, Cameroon, the Ivory Coast, Burkina Faso, Niger, Chad, and Mali.

  $230,000

- NIGER, a program supporting the Niger trade union movement, in an effort to develop a pilot land-use program to provide work for the unemployed.

  $250,000

- PAN-AFRICAN EFFORT, a program of assistance for Africa-wide organizing and education, with an emphasis on strengthening individual labor organizations and trade union centers.

  $200,000

- SOUTHERN AFRICA, a regional program, with a major focus on South Africa, to provide legal support to South African unions facing repression and legal harassment; to aid in the training of qualified black union lawyers and help to cover union legal expenses; and to conduct a series of fact-finding trips to assess the state of trade unions and trade union freedoms and to identify pro-democratic unionists in the region.

  $130,000

- TRADE UNION NEWS SERVICE, to establish an African news service on human rights and trade union rights violations in the region and to fund a publication in English, French, and Arabic.

  $70,000

- EDUCATION PROGRAM FOR AFRICAN TRADE UNIONISTS, two four-week seminars held at the George Meany Center in the U.S., for top-level African trade unionists, conducted by American trade union and academic experts on democratic theory, trade union issues, and economic development.

$160,000

NATIONAL ENDOWMENT FOR DEMOCRACY DISCRETIONARY PROGRAMS

- A. PHILIP RANDOLPH EDUCATIONAL FUND, to enable "Project South Africa" to develop projects designed to bring about peaceful, democratic change in South Africa.

  $15,000

- ASSOCIATION FOR EDUCATION IN JOURNALISM AND MASS COMMUNICATION, (AEJMC), for an exploratory program to assess the potential role of regional bodies in providing training, information and other resources to African journalism educators.

  $25,000

- THE NATIONAL COUNCIL OF NEGRO WOMEN, INC., (NCNW), for a one year project to train women leaders in Guinea, Botswana, Swaziland, and Lesotho in democratic principles, organization building, constituency outreach, private sector development and communicating women's concerns to government.

  $155,830

- THE PHELPS-STOKES FUND, to convene a series of three day-long meetings of African professionals to discuss the ways in which programs for the revitalization of African nongovernmental organizations might contribute to the strengthening of pluralistic values.

  $10,000

ASIAN PROGRAMS

FREE TRADE UNION INSTITUTE PROGRAMS

- ASEAN TRADE UNION COUNCIL, to strengthen and encourage the growth of the ASEAN Trade Union Council (ATUC) -- a regional grouping of unions from Singapore, Malaysia, Indonesia, Thailand, the Philippines, and Brunei.

  $86,000

- CYPRUS, support for organizing and democratic education activities, including assistance for a labor and education center

run by the Greek Cypriot Workers' Confederation (SEK) and for Turk-sen, the Turkish Cypriot trade union federation.
$75,000

- EXCHANGES, to allow U.S. labor leaders from specific sectors to meet their counterpart unions in Asia and share sector-specific information and policy concerns. Support is also provided for a conference on trade union rights in Asia.
$275,000

- INTERNATIONAL TRADE UNION ORGANIZATIONS, to use the mechanism of such bodies as the ICFTU to work with the Asian and Pacific Regional Organization and the ASEAN Trade Union Congress in strengthening democratic "union-to-union" programs through international trade secretariats. U.S. unions provide assistance and skills training to their Asian counterparts in the following sectors: teachers, textile workers, garment workers, transport workers, clerical employees and metal workers.
$120,000

- JORDAN, a program designed to establish the basis for cooperation with representatives of the Jordanian trade union movement.
$75,000

- LABOR WATCH PROGRAM, to monitor human and trade union rights in Asia. A specialized advisory service to assist those coping with the repression of trade unions will be established. In addition fellowships will be established for Asian academics to conduct research on human rights issues, assistance will be provided to victims of repression, media efforts will be launched to expose the denial of trade union rights, and a study of Vietnamese workers rights violations will be included.
$135,000

- PAKISTAN, education on labor law reform, the functioning of labor courts, comparative industrial relations, and union organizing and membership services. The program also assists the three national federations in conducting provincial-level basic union training for federation leaders and local seminars for plant-level officers.
$265,000

- THE PHILIPPINES, a wide-ranging program of assistance to urban and rural workers in the democratic trade union movement of the Philippines that centers on support for labor organizers, labor educators, health-care specialists, and agricultural experts. The program includes 1) basic membership service; 2) training programs; 3) basic health and occupational safety assistance to urban and rural workers; 4) the editing and publication of democratic union newspapers, and radio programming; 5) assistance and counseling for farmers.

  $1,100,000

- REGIONAL TRAINING PROJECT, to support a program of forums, conferences, and individual study of labor law and industrial relations, affiliate services, leadership training, etc. in Malaysia, Hong Kong, Nepal, the Philippines, and the Republic of China.

  $283,000

- SOUTH PACIFIC ASIAN-AMERICAN FREE LABOR INSTITUTE, an office in Fiji to organize seminars on trade union issues and democratic values; assist regional unions in establishing functioning offices; assist in the development of publications and in the provision of basic membership services; and provide assistance to enable democratic trade unionists in this widely dispersed jurisdiction to meet and coordinate activities.

  $370,000

NATIONAL ENDOWMENT FOR DEMOCRACY DISCRETIONARY PROGRAMS

- AMERICAN FRIENDS OF AFGHANISTAN, for a pilot project to provide educational opportunities for Afghans living in areas controlled by the Afghan Resistance.

  $180,845

- The JAMES F. BYRNES INTERNATIONAL CENTER of the University of South Carolina, for the Leslie Sawhny Programme of training in democracy in India

  $30,000

- THE CHINA PERSPECTIVE, INC., to carry out editorial work for The Chinese Intellectual and related activities in China

  $45,000

EUROPEAN PROGRAMS

CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE PROGRAMS

- CONFEDERACION ESPANOLA DE ORGANIZACIONES EMPRESARIALES, (CEOE), Madrid, Spain, to organize and conduct a professional development program course designed to improve the managerial skills of executives of Spanish employers' organizations. This is a replication of the U.S. Chamber's Institute program.

$36,686

FREE TRADE UNION INSTITUTE PROGRAMS

- BASQUE FEDERATION OF WORKERS (ELA-STV) of Spain, to support organizing efforts and democratic education for shop stewards, the automation of information and publishing activities, and also an education program for 330 teachers' union leaders and activists in democratic values and union related skills.

$259,687

- CZECHOSLOVAKIA, for the publication and distribution within Czechoslovakia of Pravo Lidu, a journal of exiled Czechoslovak democratic and trade union leaders, dealing in part with worker issues, trade union rights, and democratic ideals.

$30,000

- FRANCE, for union-building and assistance to exiles and immigrants through the Force Ouvriere (FO), the largest non-communist trade union federation.

$500,000

- FRANCE, support to the Union Nationale Inter-universitaire (UNI) for a program of education and publications to promote democratic values in schools and universities.

$300,000

- INSTITUT SINO-SOVIETIQUE, support for a Paris-based think tank to conduct research on Soviet and Chinese trade union and human rights issues.
  $71,000

- INTERNATIONAL CONFEDERATION OF FREE TRADE UNIONS, Belgium, for upgrading data collection and communications related to trade unions and human rights.
  $25,500

- MINEWORKERS INTERNATIONAL FEDERATION, Belgium, to bring African mineworkers union leaders to Brussels to meet with their democratic counterparts from the U.S. and Europe in a project aimed at strengthening ties and developing programs of support and cooperation.
  $10,000

- POLAND, support for the New York-based Committee in Support of Solidarity for translation and publication of documents on workers' and human rights. Support is also provided for individual Polish exiles in Europe and for the Coordinating Office of Solidarnosc Abroad, the Brussels-based external representative of the Solidarity movement in Poland, to collect detailed information on the state of the Solidarity trade union movement in Poland and to enable Solidarity to communicate with its members inside Poland.
  $540,000

- PORTUGAL, institution-building assistance to the Brotherhood of Railway and Airline Clerks, and support for sectoral organizing and membership services for the major democratic Portuguese labor federation, the Uniao Geral de Trabalhadores.
  $594,909

- QUE ME, support for a France-based publication of democratic Vietnamese exiles, and research and publications on trade union rights and human rights violations.
  $53,000

- SOVIET LABOUR REVIEW, United Kingdom, for basic research and publications on Soviet labor law, trade union and worker rights, and socioeconomic trends.
  $70,000

- SPAIN, assistance to a democratic Spanish teachers' union, provided through the American Federation of Teachers, for a series of courses in democratic values and union skills.

  $12,000

- LEAGUE FOR INDUSTRIAL DEMOCRACY, United States, for a study on the interrelationship between democratic trade unions and political parties, with special emphasis on socialist and social democratic parties, to examine their attitudes toward U.S. labor, foreign-policy, economic issues, etc.

  $75,000

- EXCHANGES, to enable democratic trade union leaders from the International Confederation of Free Trade Unions and European labor leaders active in support of democratic unions the world over to meet with their U.S. counterparts on common trade union concerns.

  $86,005

- RESEARCH AND PUBLICATIONS, a FTUI research and publication program on key human and trade union rights issues.

  $58,100

NATIONAL ENDOWMENT FOR DEMOCRACY DISCRETIONARY PROGRAMS

- AURORA FOUNDATION, to assist the work of the Polish Legal Defense Fund (in Poland).

  $50,000

- AURORA FOUNDATION, for the publication of one issue of "Zeszyty Literackie" ("Literary Notebooks").

  $6,000

- FREEDOM HOUSE, to assist the Committee for Independent Culture in its support of independent cultural activities in Poland.

  $10,000

- PROBLEMS OF EASTERN EUROPE, INC., to publish two double issues and to translate materials for a third issue of this Russian-language quarterly which deals with pertinent East European political and economic issues.

  $25,000

- TIME AND WE, to assist the publication of three issues of this bi-monthly Russian-language journal.

  $25,000

LATIN AMERICAN PROGRAMS

CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE PROGRAMS

- INTERNATIONAL ORGANIZATION OF EMPLOYERS, (IOE), Geneva, Switzerland, to organize and conduct a workshop in the Dominican Republic designed to improve Latin American employers' organizations use of modern communication techniques.

  $53,510

- INSTITUTO LIBERTAD Y DEMOCRACIA, (ILD), Lima, Peru, to continue advocacy on behalf of the informal business sector within the Peruvian economy through efforts to effect institutional change and deregulation in Peru.

  $240,000

- PAN AMERICAN DEVELOPMENT FOUNDATION, (PADF), to analyze the informal business sector in five Central American countries leading to a conference of Central American development organizations. This is a follow-on to a 1984 program focused on Nicaragua.

  $56,100

- CAMARA DE LA LIBRE EMPRESA, Guatemala, to present a three day course to Guatemalan and Salvadoran business community leaders, entitled "Understanding Politics," designed to encourage the development of active business participation in the political process.

  $40,280

- RESPUESTA FOUNDATION FOR THE DEFENCE OF LIBERTY, Bogota, Colombia, to promote private sector assumption of activities currently carried out by the public sector and foster participation of the Colombian private sector in the national economy and in public policy debates.

  $58,228

- ASOCIACION CRISTIANA DE DIREGENTES DE EMPRESA, (ACDE), Montevideo, Uruguay, to educate business executives and the general public on economic options for Uruguay and the role of the private sector in the economic and social development of democracy.

  $56,100

- CENTRO DE ESTUDIOS SOBRE LA LIBERTAD, Buenos Aires, Argentina, to sponsor a series of seminars in six Argentine cities on the advantages of private property, individual freedom and limited government as the basis for an open market economy and a pluralist system.

  $34,740

- FUNDACION DEL TUCUMAN, Tucumán, Argentina, to write a high school textbook to improve economic education in Argentina and introduce it to teachers through two seminars in Tucuman and Buenos Aires.

  $17,900

- INSTITUTO COLOMBIANO DE ESTUDIOS SUPERIORES DE INCOLDA, Cali, Colombia, to design and implement a pilot education program for high school students using the EMPRESA kits, to be accompanied by a seminar for elementary school teachers on concepts of creativity, motivation and entrepreneurism, and a national conference on entrepreneurial education in Colombia for university professors.

  $34,760

- INSTITUTO DE ESTUDIOS CONTEMPORANEOS, (IDEC), Buenos Aires, Argentina, for research on the informal sector of Argentina with an emphasis on the effect of government economic policies and inflation on the growth of the informal sector, the Argentine economy in general and political stability.

  $96,000

- ACCION INTERNATIONAL, Washington, D.C., to produce an audiovisual presentation that explores means of promoting the integration of the informal business sector in Latin America into the formal economies of the region. Based, in part, on the ILD and PADF programs.

  $30,740

FREE TRADE UNION INSTITUTE PROGRAMS

- AGRARIAN EDUCATION, support for a regional education program in cooperative education and agricultural skills to be offered by the Centro de Estudios Cooperativos y Laborales para America Latina (CECL), the training organization of Histadrut, Israel's democratic labor federation.

  $80,105

- ARGENTINA, a project for Argentine labor leaders which includes a research component designed to promote democratic values.

  $125,000

- TRADE UNIONS IN BOLIVIA, to assist in the development of a new union education initiative in the tin mining areas of Bolivia.

  $60,000

- BRAZIL, support for the Instituto Cultural do Trabalho, an educational and training entity which works with democratic trade union groups, provides educational and organizing seminars, and supports organizing drives. Funds are used for conferences, exchanges, publications dealing with democratic rights and values, human rights manuals and education programs, and training of nonpartisan educators and activists.

  $395,000

- CARIBBEAN CONGRESS OF LABOUR, support for a major research project to enable the democratic confederation of Caribbean unions to examine issues of Caribbean political and economic life.

  $65,000

- CARIBBEAN POLITICAL EDUCATION COMMITTEES, for political education committees in the Caribbean area.

  $105,000

- CHILE, assistance to the regional bureaus of the Central Democratico de Trabajadores, the Chilean democratic trade union federation which, harassed and repressed by Pinochet and challenged by Communist rivals, is forbidden from collecting dues by law. The program supports seminars and training programs throughout the country.

  $450,000

- COLOMBIA, a civic education program in cooperation with the Union de Trabajadores de Colombia and the Confederacion de Trabajadores de Colombia, focusing on education in democratic values and research on legislative issues, including a study of proposed changes in the national labor code.

  $63,000

- COSTA RICA, sponsorship of a conference on "Democracy, Peace and Central America" with participation of leading civic, labor and government figures from the region.

  $75,000

- DOMINICAN REPUBLIC, a program of national seminars on political theory that builds on work of the labor-initiated "forum on economic problems" by establishing a major organizing drive. The organizing drive involves full-time organizers operating out of offices in urban centers.

  $125,000

- EXCHANGES, programs to establish closer links between Latin American and Caribbean trade unionists and their U.S. counterparts, linked to the development of specific skills, education in democratic values and advancing discussion of inter-American political problems.

  $50,000

- ECUADOR, to support a new educational program in "Democratic Political Theory" designed to strengthen democratic ideals within the labor movement. The program, which involves cooperation with local democratically-oriented political scientists to run seminars for union leaders, shop stewards, and activists, has recently focused on teachers' union activities.

  $80,000

- EXILE ASSISTANCE, traditional labor support for embattled and exiled democratic trade union leaders. Focused primarily in Central America and Chile, the program includes medical assistance, loans, and subsistence aid for families.

  $30,000

- GUATEMALA, support for civic and electoral education for the Confederation de Unidad Sindical de Guatemala (CUSG), a major Guatemalan union.

  $100,000

- INTERNATIONAL TRADE SECRETARIAT PROGRAM, to provide secretariats resources to support their country affiliates in civic, educational and trade union rights activities. Money from this program is contributed through individual U.S. trade unions to seven democratic trade secretariats. Funds are used for conferences, exchanges, publications dealing with democratic rights and values, human rights manuals and education programs and training ofnonpartisan educators and activists.

  $410,000

- LIBRO LIBRE, support for a major book and pamphlet publishing and distribution program located in Costa Rica. The effort focuses on literature distribution aimed at trade union leaders, the promotion of democratic and pluralist values through conferences and seminars, and on the relationship between government and society.

  $80,000

- LABOR WATCH PROGRAM, a new organization, the Inter-American Committee on Human and Trade Union Rights, headed by prominent Latin American labor leaders to collect factual information on human and trade union rights violations within the hemisphere.

  $65,000

- MEXICO, funds for the Confederacion de Trabajadores Mexicanos for a grassroots democratic education programs for union activists, including eight week-long national seminars involving hundreds of union activists.

  $100,000

- NICARAGUA, a program to support democratic Nicaraguan trade union federations resisting government control and repression.

  $60,000

- PARAGUAY, support for union organizing and membership services of democratic unions.

  $50,000

- PERU, support for regional union education centers, in cooperation with the Peruvian Workers Confederation (CTP), through which thousands of trade unionists are trained. Special emphasis is placed on education in "Democratic Political Theory" and election laws.

  $130,000

- REGIONAL CIVIC EDUCATION MATERIALS, a major regionwide educational project to develop and print manuals on the role of trade unions in the democratic and political process. Project also identifies existing pro-democratic materials to use for training courses and disseminates such materials.

  $82,000

- REGIONWIDE COURSES ON DEMOCRATIC POLITICAL THEORY, support to maintain a team of lecturers with expertise in democratic political theory and labor economics.

  $150,000

- REGIONWIDE ORGANIZING EFFORT, support for a regional program aimed at increasing membership of democratic unions in the hemisphere.

  $85,000

- REGIONWIDE POLITICAL EDUCATION COMMITTEES, support for organizing efforts throughout the region for nonpartisan voter education and mobilization.

  $660,000

- SURINAME, assistance to the Dutch based Council for Liberation of Suriname for documenting and publicizing violations of human and civil rights in Suriname.

  $112,500

- URUGUAY, support for Uruguayan Technical Assistance Centers (ATS) to provide coordinated organizing services and professional advice to democratic unions in Uruguay. Funds support training of lawyers and economic specialists for collective bargaining, provide advice and technical assistance to unions, help in collecting economic statistics, and provide analysis. The project is coordinated with democratic International Trade Secretariat representatives.

  $150,000

NATIONAL ENDOWMENT FOR DEMOCRACY DISCRETIONARY PROGRAMS

- The BILDNER CENTER FOR WESTERN HEMISPHERE STUDIES at the Graduate School and University Center, CUNY, to support an international symposium on problems of democracy to be held at the Institute of Political Science of the Catholic University of Chile in July 1986.

  $50,000

- CARIBBEAN/CENTRAL AMERICAN ACTION, (CCAA), to design a nonpartisan education-for-democracy program for youth in the Eastern Caribbean, with initial focus on Dominica.

  $15,700

- CARIBBEAN/CENTRAL AMERICAN ACTION, (CCAA), to assist the Committee for Progress In Democracy (Dominica) to serve as a permanent center for coordinating and conducting key programs in democratic political education.

  $58,800

- CARIBBEAN/CENTRAL AMERICAN ACTION, (CCAA), to administer two projects to be conducted by the Centro de Estudios Politicos (CEDEP) in conjunction with the Guatemalan elections held November 3, 1985.

  $152,450

- FRIENDS OF THE DEMOCRATIC CENTER IN CENTRAL AMERICA, (PRODEMCA), to assist the independent Nicaraguan newspaper La Prensa through the purchase of desperately needed printing supplies without which the paper would have been forced to stop publication.

  $100,000

- FRIENDS OF THE DEMOCRATIC CENTER IN CENTRAL AMERICA, (PRODEMCA), to assist the establishment of a private nonpartisan center devoted to the study and discussion of democratic ideas and their potential application in Nicaragua, and to assist in translating, publishing and distributing documents concerning the human rights situation in Nicaragua.

  $200,000

- THE OVERSEAS EDUCATION FUND, (OEF), to work with Uruguayan women to design a program to increase their contribution to national economic efforts and the consolidation of democracy.

  $25,000

MULTIREGIONAL PROJECTS

CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE PROGRAMS

- THE INSTITUTES FOR ORGANIZATION MANAGEMENT, supported by a grant from CIPE, the Institutes staff is undertaking the following activities: 1) Organize intensive organization management training for foreign business organization staff executives; 2) conduct similar training programs in San Jose, Costa Rica for Latin American business organization staff executives; 3) prepare monographs on organization management in French; 4) develop Spanish computer software for use by business organizations. (A special course was implemented for representatives from the

Philippine Chamber of Commerce as part of a larger Philippine business advocacy and public opinion program.)

$449,713

FREE TRADE UNION INSTITUTE

- SERVICE EMPLOYEES INTERNATIONAL UNION, support for an international education effort on public and private sector issues in the health care industry.

$40,000

NATIONAL ENDOWMENT FOR DEMOCRACY DISCRETIONARY PROGRAMS

- JAMAICA WORLD RELIEF, to provide planning assistance for the International Conference of Youth and World Youth Festival of Arts held in Jamaica in April 1985 to celebrate the United Nation's International Youth Year.

$106,940

National Endowment for Democracy

NATIONAL ENDOWMENT FOR DEMOCRACY
Regional Listing of Approved Programs in FY 1986
March 17, 1986

Funding of these programs has been approved by the Board of Directors of the National Endowment for Democracy pending the successful negotiation of grant agreements.

AFRICAN PROGRAMS

FREE TRADE UNION INSTITUTE

- Cooperative Program with Force Ouvriere in Francophone Africa.
  $60,823
- Assistance to Unions in Francophone Africa. $243,412
- Support for Regional Trade Union Federation Activity: Southern Africa Trade Union Coordinating Council (SATUCC); Organization of Trade Unions of West Africa (OTUWA); and Organisation de Travailleurs de l'Afrique Centrale (OTAC).
  $121,706
- Support for the training sessions conducted by the African American Labor Center's Education Department.
  $162,294

NATIONAL DEMOCRATIC INSTITUTE FOR INTERNATIONAL AFFAIRS

- Strengthening Democractic Parties in Africa through a workshop on party-building for party leaders from Senegal, the Gambia, Botswana and Mauritius.
  $80,750
- Anticipating Change: A Conference of South African and Frontline States' Political Party Leaders.
  $161,720

NATIONAL REPUBLICAN INSTITUTE FOR INTERNATIONAL AFFAIRS

- To develop a program concerning Democratic Development in Africa.
  $25,000

SOUTHERN AFRICAN LEGAL SERVICES AND LEGAL EDUCATION PROJECT, to assist the Legal Education Trust (LET) of the Black Lawyers Association.

$25,000

U.S. OVERSEAS COOPERATIVE DEVELOPMENT COMMITTEE, to assist the cooperative movement in Zimbabwe.

$51,908

ASIAN PROGRAMS

AMERICAN FRIENDS OF TURKEY FOUNDATION, to assist the publication of the semi-monthly Turkish journal of political and cultural news and commentary *Forum* in Ankara.

$83,500

The JAMES F. BYRNES INTERNATIONAL CENTER OF THE UNIVERSITY OF SOUTH CAROLINA, for the Leslie Sawhny Programme of training in democracy in India.

$8,000

CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE

- To assist the Philippine Chamber of Commerce and Industry (PCCI).

  $82,653

- To inaugurate a South Asian Institute for Organization Management.

  $117,395

The CHINA PERSPECTIVE, INC., to carry out editorial work for *The Chinese Intellectual*.

$155,000

COMMITTEES FOR A COMMUNITY OF DEMOCRACIES, to sponsor an Asia-Pacific Regional Seminar.

$125,000

FREE TRADE UNION INSTITUTE

- To promote human and trade union rights in the region through a regional labor watch committee, publication of a trade union rights manual and provide selective support to trade union leaders suffering because of exiles, imprisonment or other repression.

  $83,822

- Providing assistance to the International Trade Union Organizations in the region.

  $167,645

- Working With Three Labor Federations in Pakistan.

  $150,880

- South Pacific Regional Training Program in Fiji, Kiribati, Papua New Guinea, the Solomon Islands, Vanuatu and Western Somoa.

  $184,409

- Regional Membership Training Services in Taiwan, Malaysia and Cyprus.

  $83,822

- Trade Union and Rural Workers' Organizations in the Philippines.

$670,579

NATIONAL DEMOCRATIC INSTITUTE FOR INTERNATIONAL AFFAIRS

- Philippines Election Observing, conducted with the National Republican Institute for International Affairs.

$45,050

- Workshop on South Korean Democratic Development. $77,760

NATIONAL REPUBLICAN INSTITUTE FOR INTERNATIONAL AFFAIRS

- To hold an Economic Development Conference in Asia.

$135,000

- Pacific Basin, to develop relationships with democratic political parties and affiliated institutions in this area.

$25,000

- Philippines Election Observing, conducted with the National Democratic Institute for International Affairs.

$45,000

EUROPEAN PROGRAMS

AURORA FOUNDATION, to assist the work of the Polish Legal Defense Fund and for the publication of four issues of "Zeszyty Literackie" ("Literary Notebooks").

$92,400

CENTER FOR DEMOCRACY, to conduct an Independent Exchange Program with citizens in the Soviet Union; collect and process information derived from the Independent Exchange Program into an Information Bank; and establish a Fund for Freedom.

$175,000

CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE

- Greece, to provide specialized training of the Federation of Greek Industries staff and the development of a private enterprise education program for school children.

$80,103

CZECHOSLOVAK SOCIETY OF ARTS AND SCIENCES, to assist the Documentation Center for the Promotion of Independent Czechoslovak Literature in Hanover, Federal Republic of Germany; the Jan Hus Educational Foundation in London, England; the Jan Palach Information Research Trust in London, England; and to produce 500 copies of a recording of Czechoslovak poetry set to music and to distribute it in Czechoslovakia.

$112,750

FREE TRADE UNION INSTITUTE

- Portugal, to provide assistance to the Uniao Geral de Trabalhadores.

$318,750

- American/European Trade Union Exchanges.	$14,000
- Democratic Education Program of the ELA/STV, the Basque Federation of Workers, Spain.	$86,149
- Assistance to the Polish independent trade union movement.	$304,163
- Institut d'Histoire Sociale, Paris, France.	$21,562
- Pravo Lidu, published by POL-Verlag, a Czechoslovak publishing house in Germany.	$22,500
- Que Me, a Paris-based monthly information bulletin on Vietnam.	$20,000
- Soviet Labour Review, a London-based, bi-monthly periodical.	$15,000
FREEDOM HOUSE, to assist four journals distributed throughout Eastern Europe - ANEKS Quarterly in London, England; Uncensored Poland News Bulletin in Lund, Sweden; Internal Contradictions in the USSR in the United States; Pamiat in Paris, France; and various publications of the Independent Polish Agency in London, England.	$180,400
FREEDOM OF COMMUNICATIONS COMMITTEE, to improve Postal Communications with the USSR.	$50,000
INSTITUTE FOR DEMOCRACY IN EASTERN EUROPE, to support the activities of independent publishing houses, independent publications and self-education and human rights groups in Poland.	$123,200
INTERNATIONAL PARLIAMENTARY GROUP FOR HUMAN RIGHTS IN THE SOVIET UNION, to sponsor a Leadership Conference in Western Europe in order to establish a multinational system to monitor and respond to human rights violations in the Soviet Union.	$50,000
JOINT BALTIC AMERICAN NATIONAL COMMITTEE (JBANC), to assist the activities of the Relief Center for Estonian Prisoners of Conscience in the USSR.	$27,500
KESTON COLLEGE USA, to assist Keston College in England to conduct research on freedom of religion in the USSR & Eastern Europe.	$50,000

NATIONAL DEMOCRATIC INSTITUTE FOR INTERNATIONAL AFFAIRS

- Northern Ireland, to work with the Social Democratic and Labour Party (SDLP) in institution-building and democratic development and provide small grants to the Party's Democratic Institute to carry out programs.

$80,400

NATIONAL REPUBLICAN INSTITUTE FOR INTERNATIONAL AFFAIRS

- Portugal, to support the second phase of a continuing study by the Associacao para a Cooperacao e Desenvolvimento (ACDS).

$97,500

- Spain, to support the Club Conservador and conduct democratic education and political participation activities.

$15,000

POLISH AMERICAN CHARITABLE FUND, to provide material assistance to political prisoners in Poland and their families; support for the activities conducted in Poland by the independent Committees for Education, Culture and Science (OKNO); and support for the activities of the Polish Helsinki Watch Committee.

$205,000

POLISH INSTITUTE OF ARTS AND SCIENCES OF AMERICA, INC., to publish in Polish and distribute in Poland three books on the development of democracy in Poland.

$25,000

PROBLEMS OF EASTERN EUROPE, to assist the publication activities of this Russian-language quarterly.

$25,000

TIME AND WE, to assist the publication of this bi-monthly Russian-language journal.

$25,000

LATIN AMERICAN PROGRAMS

AMERICAN COUNCIL OF YOUNG POLITICAL LEADERS, to assist the Fundacion Universitaria Rio De La Plata (FURP) in Argentina.

$49,254

The JAMES F. BYRNES INTERNATIONAL CENTER, to assist the Centro de Estudios Publicos (CEP), the Centro de Estudios del Desarrolo (CED), and the Facultad Latino Americana de Ciencias Sociales (FLACSO), the major conservative, Christian Democratic, and democratic socialist policy institutes, respectively, in Chile; to assist Editorial Andante, a publishing organization in Santiago, Chile; and to assist the Instituto Para La Transicion (ISTRA) of Chile to carry out planned activities under ISTRA's "Formation and Training of Young People for Democracy Project."

$311,300

The BILDNER CENTER FOR WESTERN HEMISPHERE STUDIES, at the Graduate School and University Center, CUNY, to support an international symposium on problems of democracy to be held at the Institute of Political Science of the Catholic University of Chile.

$15,000

CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE

- Argentina, to assist the Argentine Federation of Business and Professional Women (FAMNYP) to conduct a two-phase economic education project.

  $17,420

- Dominican Republic, to implement leadership and organizational development programs in local chambers of commerce with the assistance of the Greater Newark Chamber of Commerce.

  $42,300

- Mexico, to assist the activities of the Center for Economic and Education Studies (CEEE), an independent, nonprofit, nonpartisan institute based in Monterrey.

  $59,190

- To support a second year of activity of the Latin American Institute for Organization Management.

  $219,375

COUNCIL OF THE AMERICAS, to assist the Ecuadorian Institute for Social Development (INEDES).

$21,711

COUNCIL OF THE AMERICAS, to assist the Instituto del Sur para la Cooperacion Democratica in Peru.

$137,368

CUBAN AMERICAN NATIONAL FOUNDATION, to assist the activities of the European Coalition for Human Rights in Cuba, based in Europe.

$95,000

DELPHI RESEARCH ASSOCIATES, to assist the Dominican Association of Women Voters with two civic and electoral education programs.

82,542

FREE TRADE UNION INSTITUTE

- Chile, to assist the Central Democratica de Trabajadores (CDT).

  $60,000

- Uruguay, to assist the Technical Union Service Center (ATS).

  $67,500

- Haiti, to assist the Workers Federation of Trade Unions (FOS).

  $60,000

- Latin American Exchange Program $157,150

- AFL-CIO/Inter-American Regional Organization of Workers (ORIT).

  $168,500

- Paraguay, to assist the Inter-union Workers Movement (Intersindical or MIT).

  $25,000

FRIENDS OF THE DEMOCRATIC CENTER IN CENTRAL AMERICA (PRODEMCA) and AMERICARES, to assist La Prensa in Nicaragua.

PRODEMCA $51,500
AMERICARES $48,500

E&J ASSOCIATES, to conduct a media pilot project on the "Idea of Democracy" in Latin America.

$100,000

FREEDOM HOUSE, to assist Libro Libre, a private, non-profit association of distinguished Central Americans established in Costa Rica, to publish and distribute books and a monthly magazine throughout Central America.

$330,000

INSTITUTE OF INTERAMERICAN STUDIES at the University of Miami, to assist the activities of the Paraguayan Institute for International and Geopolitical Studies in Asuncion.

$110,000

INSTITUTE FOR NORTH-SOUTH ISSUES (INSI), to assist the activities of the Barbados-based Caribbean Publishing and Broadcasting Association (CPBA).

$108,463

INSTITUTE FOR NORTH-SOUTH ISSUES (INSI), to assist The Haiti International Institute for Research and Development.

$157,634

NATIONAL DEMOCRATIC INSTITUTE FOR INTERNATIONAL AFFAIRS

- Argentina, to conduct a follow-up meeting on Legislative Reform in Argentina.

  $78,425

- Brazil II - Strengthening the Budget Formulation Process in Brazil.

  $87,309

- Meeting of the Leaders from the Chilean National Accord.

  $78,935

- Civic Education in Uruguay, conducted with the National Republican Institute for International Affairs.

  $50,000

U.S.-Venezuelan Joint Training Program in Democratic Development, conducted with the National Republican Institute for International Affairs.	$60,250

NATIONAL REPUBLICAN INSTITUTE FOR INTERNATIONAL AFFAIRS

Argentina, to support the Coalition for Democracy and Freedom.	$10,000
Bolivia, to work with the Fundacion Boliviana Para La Capacitacion Democratica (FUNDEMOS).	$97,500
Chile, to provide support for a Democratic Transition.	$10,000
Colombia, to work with the Fundacion Estudios Para El Desarrollo in Bogota.	$85,000
Costa Rica, to work with the Association for the Defense of Costa Rican Liberty and Democracy in San Jose.	$10,000
The development of a Democrat Union of the Americas program for the Caribbean.	$190,000
Grenada, to assist the Grenada Civic Awareness Organisation, in a nonpartisan civic education program.	$75,000
Guatemala, to develop programs with Guatemalan research and advocacy institutions.	$10,000
Nicaragua, to develop education projects.	$85,000
To sponsor a Political Activist Training Program for key political activists from the Western Hemisphere.	$125,000
Civic Education in Uruguay, conducted with the National Democratic Institute for International Affairs.	$50,000
To hold a Conference on the Totalitarian Threat to Democracy (II).	$125,000
Universities for Freedom, to establish a network of like-minded academic and public policy institutions in the Hemisphere.	$125,000

- U.S.-Venezuelan Joint Training Program in Democratic Development, conducted with the National Democratic Institute for International Affairs.

OVERSEAS EDUCATION FUND (OEF), to assist Conciencia, a nonpartisan, private organization in Argentina established by women to promote citizen participation in the democratic process.

$175,000

ROOSEVELT CENTER FOR AMERICAN POLICY STUDIES, to assist the Asociacion de Investigacion y Estudios Sociales (ASIES), a Guatemalan organization devoted to research, discussion and analysis of political issues, in sponsoring a "Seminar on National Reality."

$14,308

U.S. OVERSEAS COOPERATIVE DEVELOPMENT COMMITTEE, to review the legal and administrative obstacles to developments in the main cooperative sectors in Chile and to hold a one-week conference in Santiago to examine these obstacles and make recommendations for their removal.

$41,693

YMCA OF THE USA - INTERNATIONAL DIVISION, to conduct Youth Civic Development Projects in Panama and Costa Rica.

$94,500

MULTIREGIONAL PROJECTS

CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE

- To conduct training programs for staff executives of private sector voluntary organizations from around the world under the Institute for Organization Management program.

  $237,771

- Clearinghouse Documentation Services which support surveys and research for business associations around the world, data collection and data base development and documentation.

  $53,000

- U.S. Chamber of Commerce Briefing Center, to provide a briefing program for staff executives and volunteers of foreign chambers of commerce and business associations.

  $6,000

FREEDOM HOUSE, to continue and expand the Exchange program, a network of democratic opinion-leaders in both the developing and the developed worlds, and to hold a Democracy Workshop in October 1986 for Latin American participants.

$175,000

NATIONAL DEMOCRATIC INSTITUTE FOR INTERNATIONAL AFFAIRS

- Seminar on "Women & Political Development: From Enfranchisement to Empowerment" for women political leaders from democracies around the world.

  $212,825

TRUSTEES OF COLUMBIA UNIVERSITY LAW SCHOOL in the City of New York, to continue its Human Rights Internship Program.

$23,760

Mr. SMITH. How much money did you have left over last year, at the beginning of this fiscal year?

Mr. GERSHMAN. You mean monies that were unobligated by the Endowment?

Mr. SMITH. Right.

Mr. GERSHMAN. None.

Mr. SMITH. None?

Mr. GERSHMAN. All monies were obligated by the Endowment.

Mr. SMITH. So you started out with $18 million at the beginning of the year?

Mr. GERSHMAN. Well, it was actually less, because of Gramm-Rudman.

Mr. SMITH. How much was the sequestration?

Mr. GERSHMAN. It was $774,000.

Mr. SMITH. So you started out with $17,226,000?

Mr. GERSHMAN. Yes.

Mr. SMITH. That is what you had after sequestration. Then there is a 25 percent limit——

Mr. GERSHMAN. Exactly.

Mr. SMITH [continuing]. On each institute. And then you make these grants to the institutes?

Mr. GERSHMAN. We make grants to the institutes and to other grantees.

Mr. SMITH. Directly to other grantees, too?

Mr. GERSHMAN. Yes.

ADMINISTRATION OF GRANTS

Mr. SMITH. How do you administer this 25 percent limit?

Mr. GERSHMAN. Well, as you know, the 25 percent limit affected most one grantee, the Free Trade Union Institute.

Mr. SMITH. Yes.

Mr. GERSHMAN. Which suffered major cuts in its program as a result, and the board has now approved the proposal for that grantee, which in fact covers 25 percent of the——

Mr. SMITH. You gave them 25 percent of the total $17 million?

Mr. GERSHMAN. We made a budget plan regarding how to allocate, how to budget our resources among the four institutes and for other grants, and within that the board budgeted a quarter of the funds for the Free Trade Union Institute, and a proposal for that amount was approved by our board at the meeting that we held on March 7.

Mr. SMITH. What conditions do you attach to a grant? Do you have a standard set of conditions?

Mr. GERSHMAN. I have here a sample grant agreement, Mr. Chairman, which is very long and has all sorts of conditions in it, requiring accountability, quarterly reports on financial and programmatic activities, to comply with all regulations, audits by independent auditors, periodic drawdown requests to the Endowment, which allows us to make sure that the funds already drawn down are acccounted for before drawing down any others, approval of all line item budget changes in excess of 15 percent. These are just some of the conditions which are included. I would like to submit that.

[The information follows:]

GRANT NO.

GRANT AGREEMENT
BETWEEN
THE NATIONAL ENDOWMENT FOR DEMOCRACY, INCORPORATED,
AND

MEMORANDUM OF AGREEMENT, made and entered into by and between the National Endowment for Democracy, Incorporated, a nonprofit corporation located at 1156 Fifteenth Street, N.W., Suite 304, Washington, D.C. 20005 (hereinafter referred to as the "Grantor" or the "Endowment") and the located at (hereinafter referred to as the "Grantee").

WHEREAS, the National Endowment for Democracy Act, P.L. 98-164 (hereinafter referred to as the "Act") and U.S. Information Agency Grant No. 1A-20955-19-G provide that the Endowment [shall] grant funds to carry out the purposes of the Endowment as specified in the Act.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH:

ARTICLE I

PURPOSE

The Endowment hereby awards a grant of $ to the to enable the to carry out program objectives, which are consistent with the purposes set forth in Section 502(b) of the Act, as follows:

(1)

ARTICLE II

A. The period of this agreement shall be from _______ through _______ unless extended in writing by the mutual agreement of the parties hereafter referred to as grantor and grantee.

ARTICLE III

PAYMENT, ITEMS OF EXPENDITURES, AND ACCOUNTING DATA

A. The funds awarded pursuant to this agreement shall be used to further the objectives described in Article I; shall be paid to the Grantee in accordance with the provisions of Section B. herein below; and shall be expended in accordance with the Items of Expenditure set forth in Section C. herein below.

B. The Grantor shall disburse funds to the Grantee on an as-needed basis. The expenditure projections set forth in Attachment B, Cash Flow Projections should reflect actual anticipated expenditures as closely as possible, and may be revised as necessary. Because of the extensive amount of time involved in overseas transactions, the Endowment will consider cash advances or "anticipated cash requirements" as expenditures for purposes of expenditure estimates. The Grantee shall request a drawdown from the Endowment in a prescribed written format at least five days in advance of the desired disbursement date in order to receive funds. The Endowment may request a revised cash flow schedule as needed.

The Grantee agrees to ensure that surplus funds do not accumulate in Grantee accounts in excess of regular expenditure requirements. At the close of the grant all unspent funds shall be returned to the Endowment.

C. Items of Expenditure. All items of expenditure shall be in accordance with the following amounts:

1. PROGRAM COSTS

2. ADMINISTRATIVE COSTS

D. Any transfer of funds between administrative and program categories shall require the prior written approval of the Endowment. Transfers of funds between the above listed items that do not involve transfers between administrative and program categories and that exceed a fifteen percent increase or decrease in any one item may only be made after ten (10) days written notice to the Endowment of the intention to make such a transfer.

E. Allowability of costs incurred under this agreement will be determined generally in accordance with Office of Management and Budget Circular A-122 "Cost Principles for Nonprofit Organizations", Attachment C-2, as in effect on the date of this agreement, until the Endowment and USIA determine which, if any, are applicable to the Endowment.

F. Travel and per diem costs charged to this agreement by the Grantee and its subgrantees shall be limited to the per diem amounts provided for U.S. Government employees for staff and U.S. participants (Attachment C-4). Foreign participants may be provided per diem and allowances not in excess of the amounts provided for International Visitors under the programs of the U.S. Information Agency.

G. The grant made by the Endowment to the Grantee may include the costs of an accounting and reporting system established to meet the requirements of this grant.

H. Compensation made to consultants in amounts exceeding the federal daily maximum rate must be approved by the Endowment on the basis of salary history and standards of comparability.

ARTICLE IV

RESPONSIBILITIES

In carrying out the purpose of this agreement, the Grantee shall be responsible for:

A. Planning, organizing and administering the program to carry out activities consistent with the purposes of the Endowment and the Act, Attachment C-1, and the program objectives in Article I, above.

B. Providing funds to other organizations only for activities which are consistent with the purposes set forth in Section 502(b) of the Act.

C. Providing information to the Endowment on Grantee program activities on a timely basis in order to ensure the responsible implementation of the purposes of the Act.

D. The Grantee shall comply with the requirements of Section 504 of the Act and further shall ensure that the Grantee and its Sub-grantees comply with the audit and reporting requirements of Section 504 (Attachment C-1).

E. The Grantee shall be subject to the appropriate oversight procedures of the Endowment and the Congress. These procedures include the following:

1. The Grantee agrees to keep such records as may be reasonably necessary to fully disclose the amount and the disposition by the Grantee of the funds granted under the terms of this agreement, the total cost of the project or undertaking in connection with which such funds are given or used, and the nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

2. The accounts of the Grantee shall be audited: [option]
(1) annually [or]
(2) after the conclusion of the grant [or]
(3) other [to be determined as appropriate to Grant]

The audit shall be in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States.

Transactions tested shall also be reviewed to determine whether the Grantee has complied with requirements, limitations and prohibitions described in the grant which may have a material effect upon the Grantee's financial statements. The audits shall be conducted at the place or places where the accounts of the Grantee are normally kept. All books, accounts, financial records, reports, files and all other papers, things, or property belonging to or in use by the Grantee and necessary to facilitate the audits shall be made available to the person or persons conducting the audits; and full facilities for verifying transactions with any assets held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

3. The report of each such independent audit shall be provided to the Endowment. The audit report shall set forth the scope of the audit and include such statements as are necessary to present fairly the Grantee's assets and liabilities, surplus or deficit, with an analysis of the changes therein during the year, and a statement of the application of funds, together with the independent auditor's opinion of

those statements. In addition, either the auditor's report or a separate report shall include appropriate statements of positive assurance for those items tested and found in compliance with grant provisions, and negative assurance on those items not tested to the effect that nothing came to the attention of the auditor that caused him to believe untested items were not in compliance. Should the audit disclose any material instances of noncompliance or indication of fraud, abuse or illegal acts, such information shall be included in the report.

4. The financial transactions of the Grantee for each fiscal year may be audited by the General Accounting Office in accordance with such principles and procedures and under such rules and regulations as may be prescribed by the Comptroller General of the United States. Any such audit shall be conducted at the place or places where accounts of the Grantee are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files and all other papers, things, or property belonging to or in use by the Grantee pertaining to its financial transactions and necessary to facilitate the audit; and they shall be afforded full facilities for verifying transactions with any assets held by depositories, fiscal agents and custodians. All such books, accounts, records, reports, files, paper, and property of Grantee shall remain in the possession and custody of the Grantee.

5. The Endowment reserves the right to conduct or have conducted its own audit of the Grantee's records in the exercise of its obligations under the Act and the USIA Grant.

6. Not later than __________ the Grantee shall submit a final report to the Endowment. The report shall include a comprehensive and detailed report of the Grantee's operations, activities, financial condition, and accomplishments under the Act and may include such recommendations as the Grantee deems appropriate.

7. The Board member(s) and officers of the Grantee shall be available to testify (together with Board members and officers of the Endowment) before appropriate committees of the Congress with respect to such report, the report of any audit made by the Comptroller General pursuant to the Subsection 504(f) of the Act or any other matter which such committee may determine.

ARTICLE V

REPORTS

The Grantee will retain in the permanent files the following written reports necessary to monitor the progress of program activity and ensure compliance with legislative requirements, copies of which will be sent to the Endowment.

A. Program

1. The Grantee shall provide reports to the Endowment on a regular basis. Reports are to be in the form specified in Attachment C. Such reports on grantee program activity are to be provided: [option]

   A. On a quarterly basis [and/or]
   B. At specified times

2. The Grantee shall prepare a(n) [option]
   A. Annual Report [and/or]
   B. Final Report
   of its program activity to the Endowment....

B. Financial - The Grantee shall provide financial reports on a regular basis along with the program reports referred to in Section A.1 and A.2 above. These reports are to be provided on [option]

   A. A quarterly basis [and/or]
   B. At specific items

and after the conclusion of the grant. Reports are to be provided in the form specified in Attachment C.

C. Expenditure Estimates - The Grantee shall provide modifications to expenditure estimates to ensure that excess funds do not accumulate in Grantee accounts as set forth in Article III(B).

ARTICLE VI

GENERAL LIAISON AND CONSULTATION

The Grantee agrees to consult with the Endowment on a regular basis regarding program implementation and evaluation.

ARTICLE VII

NONEXPENDABLE PERSONAL PROPERTY

The provisions of Office of Management and Budget Circular A-110 "Uniform Administrative Requirements, Section N," appended hereto as Attachment C-3, shall apply to any nonexpendable personal property purchased with funds provided by this agreement, except to the extent that the Endowment and USIA determine that such provisions are not applicable.

ARTICLE VIII

LOBBYING

The Grantee agrees that none of the funds provided by this agreement shall be used by the grantee organization or its subgrantees, for lobbying or propaganda which is directed at influencing public policy decisions of the Government of the United States or any State or locality thereof. This provision shall not be construed so as to abridge the right of any grantee organization to exercise the same freedom of speech as is protected by the first article of amendment of the United States Constitution, so long as such organization does not use funds provided under this grant in exercising such right.

ARTICLE IX

PROHIBITION OF POLITICAL ACTIVITY

The Endowment and its Grantees shall make no grants or other expenditures for the purpose of education, training, or informing U.S. audiences of any partisan policy or practice, or candidate for office. This does not exclude making grants or expenditures for the purpose of educating, training, or informing audiences in other countries on the values of democracy that may incidentally educate, train, or inform American participants.

ARTICLE X

DISCRIMINATION

The Grantee agrees to comply with:

A. Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000d et seq., which prohibits discrimination on the basis of race, color or national origin in programs and activities receiving federal financial assistance.

B. Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 794, which prohibits discrimination on the basis of handicap in programs and activities receiving Federal financial assistance.

C. Title IX of the Education Amendments of 1972, as amended, 20 U.S.C. 1681 et. seq., which prohibits discrimination on the basis of sex in education programs and activities receiving Federal financial assistance.

D. The Age Discrimination Act of 1975, as amended, 42 U.S.C. 6101 et. seq., which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance.

ARTICLE XI

PROHIBITED ACTIVITIES

A. The Grantee agrees not to engage in activities unlawful under the laws of the United States, its states, and any subdivisions thereof.

B. There shall be no expenditure by the Endowment or its Grantees for the purpose of supporting physical violence by individuals, groups, or governments.

C. No person engaged in intelligence activity on behalf of the United States government shall be employed by the Endowment or by any of its Grantees.

D. No funds provided hereunder shall be used to finance the campaigns of candidates for public office.

ARTICLE XII

INDEMNITY

The Grantee agrees to indemnify the Endowment and its Officers and Directors, including costs of defense, for any claim made against them arising out of the Grantee's performance of this grant agreement. This indemnity shall be in excess of the Endowment's insurance policies, but not limited by the scope of such policies.

ARTICLE XIII

AMENDMENTS AND MODIFICATIONS

A. No amendment or modification of this Agreement shall have any force or effect unless it is in writing and signed by an authorized representative of the Endowment and the authorized representative of the Grantee organization.

B. Subject to the requirements of Paragraph A of this Article, the Endowment shall have the right to amend or modify this Agreement to conform with any amendments or modifications to the Grant Agreement between the Government of the United States of America and the National Endowment for Democracy, Incorporated that are made subsequent to the signing of this Agreement. In the event that the Endowment exercises its rights to amend or modify this Agreement pursuant to this Paragraph, the Grantee shall have the right to terminate this Agreement, provided that the Grantee returns the unexpended balance of funds provided under this Agreement.

ARTICLE XIV

Special conditions

ARTICLE XV

A. This grant may be terminated by the grantor if it determines that there is significant noncompliance with the terms and conditions of this grant agreement by the grantee.

B. In the event the grantor believes there is significant noncompliance, the grantor shall inform the grantee of its noncompliance in writing. Within ten working days after receipt of notification, the Grantee may respond to the Endowment indicating steps taken to remedy its noncompliance. Should the grantor determine that these actions are insufficient, it reserves the right to terminate the grant. Such termination must be in writing and must set forth the reasons for termination. In the event of any such termination, the grantor reserves the right to take such action as may be necessary to recover any funds provided hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the dates indicated herein below.

FOR THE GRANTEE		FOR THE NATIONAL ENDOWMENT FOR DEMOCRACY
________________________	SIGNATURE	________________________
________________________	Typed Name	Carl Gershman
________________________	Title	President
________________________	Date	________________________

GRANT PROHIBITIONS

Mr. **Smith**. What conditions are there that relate to prohibitions upon their activities?

Mr. **Gershman**. There are several different kinds of prohibitions. Lobbying is one, prohibition on political activity is another, use of violence another.

Mr. **Smith**. Do they follow the statute?

Mr. **Gershman**. Yes.

Mr. **Smith**. Or are they more extensive than the statute?

Mr. **Gershman**. It follows the statute. Chairman Richardson is pointing out the statute didn't have violence in it, for example, any activities of that kind, intelligence activities.

Mr. **Smith**. I think we will put the list of prohibitions in the record.

[The information follows:]

Prohibitions on Endowment Grantees and/or the Use of Endowment Funds

Prohibitions are contained in two key documents of the National Endowment for Democracy. These are (1) the Grant Guidelines and Selection Criteria, and (2) the standard grant agreement signed between the Endowment and its grantees.

Specific prohibitions are listed below.

Grant Guidelines

(5) The proposing organization must agree not to use grant funds for the purpose of educating, training, or informing U.S. audiences of any U.S. political party's policy or practice, or candidate for office. (This condition does not exclude making grants or expenditures for the purpose of educating, training or informing audiences of other countries on the institutions and values of democracy that may incidentally educate, train, or inform American participants.)

(6) The proposing organization must agree that no Endownment funds will be used for lobbying or propaganda which is directed at influencing public policy decisions of the government of the United States or of any state or locality thereof.

(7) The proposing organization must agree that there shall be no expenditure of Endowment funds for the purpose of supporting physical violence by individuals, groups or governments.

(8) The proposing organization may not employ any person engaged in intelligence activity on behalf of the United States government or any other government.

(12) The proposing organization may not use Endowment funds to finance the campaigns of candidates for public office.

Standard Grant Agreement

ARTICLE VIII

Lobbying

The Grantee agrees that none of the funds provided by this agreement shall be used by the grantee organization or its subgrantees for lobbying or propaganda which is directed at influencing public policy decisions of the Government of the United States or any State or locality thereof. This provision shall not be construed so as to abridge the right of any grantee organization to exercise the same freedom of speech as is protected by the first article of amendment of the United States Constitution, so long as such organization does not use funds provided under this grant in exercising such right.

ARTICLE IX

Prohibition of Political Activity

The Endowment and its Grantees shall make no grants or other expenditures for the purpose of education, training, or informing U.S. audiences of any partisan policy or practice, or candidate for office. This does not exclude making grants or expenditures for the purpose of educating, training, or informing audiences in other countries on the values of democracy that may incidentally educate, train, or inform American participants.

ARTICLE XI

Prohibited activities

A. The Grantee agrees not to engage in activities unlawful under the laws of the United States, its states, and any subdivisions thereof.

B. There shall be no expenditure by the Endowment or its Grantees for the purpose of supporting physical violence by individuals, groups, or governments.

C. No person engaged in intelligence activity on behalf of the United States government shall be employed by the Endowment or by any of its Grantees.

D. No funds provided hereunder shall be used to finance the campaigns of candidates for public office.

ARTICLE XIII

Amendments and modifications

A. No amendment or modification of this Agreement shall have any force or effect unless it is in writing and signed by an authorized raepresentative of the Endowment and the authorized representative of the Grantee organization.

B. Subject to the requirements of Paragraph A of this Article, the Endowment shall have the right to amend or modify this Agreement to conform with any amendments or modifications to the Grant Agreement between the Government of the United States of America and the National Endowment for Democracy Incorporated that are made subsequent to the signing of this Agreement. In the event the Endowment exercise its rights to amend or modify this Agreement pursuant to this Paragraph, the Grantee shall have the right to terminate this Agreement, provided that the Grantee returns the unexpended balance of funds provided under this Agreement.

ARTICLE XIV

Special conditions.

ARTICLE XV

A. This grant may be terminated by the grantor if it determines that there is significant noncompliance with the terms and conditions of this grant agreement by the grantee.

B. In the event the grantor believes there is sufficient noncompliance, the grantor shall inform the grantee of its noncompliance in writing. Within ten working days after receipt of notification, the Grantee may respond to the Endowment indicating steps taken to remedy its noncompliance. Should the grantor determine that these actions are insufficient, it reserves the right to terminate the grant. Such termination must be in writing and must set forth the reasons for termination. In the event of any such termination, the grantor reserves the right to take such action as may be necessary to recover any funds provided hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the dates indicated herein below.

For the Grantee

For the National Endowment
for Democracy

CARL GERSHMAN, *President.*

Mr. **GERSHMAN**. There is an Article 11 which lists prohibited activities, and that includes—if you would like I can read it or put it in the record—unlawful activities under the laws of the U.S., states or any subdivision thereof, no expenditure by the Endowment or its grantees for purposes of supporting physical violence by individuals, groups or governments, no persons engaged in intelligence activity on behalf of the U.S. Government shall be employed by the Endowment or any of its grantees, and no funds shall be used to finance campaigns for candidates for public office.

Mr. **SMITH**. Is that the lobbying prohibition?

Mr. **GERSHMAN**. There is a separate clause on lobbying. I can read that to you:

> The grantee agrees that none of the funds provided by this agreement shall be used by the grantee organization or its subgrantees for lobbying or propaganda which is directed at influencing public policy decisions of the government of the

United States or any state or locality thereof. This provision shall not be construed so as to abridge the right of any grantee organization to exercise the same freedom of speech as is protected by the First Article of the amendment of the United States Constitution, so long as such organization does not use funds provided under this grant in exercising such right.

The next article is prohibition of political activity:

> The Endowment and its grantees shall make no grants or other expenditures for the purpose of educating, training and informing U.S. audiences of any partisan policy or practice of candidates for office. This does not exclude making grants or expenditures for the purpose of educating, training or informing audiences in other countries on the values of democracies to incidentally educate, train and inform American participants.

GRANTS FOR ACTIVITIES IN NICARAGUA AND THE PHILIPPINES

Mr. SMITH. Which institutes did you give grants to so that they could conduct activities in Nicaragua and the Philippines?

Mr. GERSHMAN. The Free Trade Union Institute conducted activities in both countries. The Center for International Private Enterprise had programs regarding Nicaragua at the beginning and is developing a program regarding the Philippines. Our board has approved a National Republican Institute program on Nicaragua, but I don't believe it is underway yet, and of course both party institutes were active in the Philippines. Regarding Nicaragua, we approved several grants which had to do with La Prensa and the Permanent Commission on Human Rights.

Mr. SMITH. Were those several individual grants?

Mr. GERSHMAN. Yes.

Mr. SMITH. How many?

Mr. GERSHMAN. There were three.

GRANTS TO LA PRENSA AND PRODEMCA

Mr. SMITH. The one with regard to La Prensa, when was that grant approved?

Mr. GERSHMAN. It was approved on two occasions. It was approved on December 4, 1984, the first time, in response to an urgent request from La Prensa, and a renewal of the grant was approved at our board meeting on January 27, 1986.

Mr. SMITH. Were any private funds intermingled with these grants in carrying out the mission they had under that grant?

Mr. GERSHMAN. No. We have checked this very carefully, and it is a separate account for our grants. There is no commingling of funds.

Mr. SMITH. But they did have activities other than this in Nicaragua with regard to La Prensa?

Mr. GERSHMAN. Well, there were three grants signed. Our grant agreements covered those activities which were defined under the grant agreement. I don't know all of what they were doing elsewhere. I do know that there was a separate account for our grants.

Mr. SMITH. Prior to making these grants, was there consultation with the Department of State?

Mr. GERSHMAN. At that time, Mr. Chairman, we engaged in regular informal consultation with the Department of State. It was only with the new legislation that a provision was introduced into law requiring a more formal process of consultation, but we did consult informally.

Mr. SMITH. This is 1986 money, the provision?

Mr. GERSHMAN. The first two grants were 1985 money.

Mr. SMITH. You mean they were made before October 1st?

Mr. GERSHMAN. Yes. The first two grants were made on December 4, 1984, and on March 6, I believe, 1985.

Mr. SMITH. There has been one in this fiscal year?

Mr. GERSHMAN. Just La Prensa.

Mr. SMITH. Did others make applications for activities in Nicaragua, or just these, or how did you decide who gets a grant?

Mr. GERSHMAN. We had several inquiries from groups in Nicaragua for support. We get many inquiries for programs, and we then have to determine whether or not these programs fit the objectives of the Endowment, how we——

Mr. SMITH. Which objectives of the Endowment did this particular grant fulfill?

Mr. GERSHMAN. For La Prensa?

Mr. SMITH. Yes.

Mr. GERSHMAN. Well, the promotion of democratic ideas. We have a section in the broad strategy statement on objectives and principles of the Endowment, which talks about the importance of free media, and this was the free newspaper which was defending the cause of freedom of the press and freedom of speech and thought in Nicaragua under Somoza, and later under the Sandinistas, and we thought it was perfectly consistent with the Endowment's objectives to support that.

Mr. SMITH. To support their operation, you mean?

Mr. GERSHMAN. Yes. They were in a particularly difficult situation, because they could not get supplies. They had to get the supplies through the government, and the government claimed that it did not have any hard currency to pay the supplier, so that they asked us on an urgent basis if we could help so that they could get supplies, chemical and photographic equipment and others. They had newsprint at the time but they needed the other things that were necessary for a newspaper.

Mr. SMITH. So the grant was solely for the purpose of buying supplies?

Mr. GERSHMAN. Yes, and they also needed to be able to get wire and feature services.

Mr. SMITH. Are you satisfied that none of the money was spent for any other reason?

Mr. GERSHMAN. Absolutely. What we did on that grant was we had a procedure whereby we would not release another drawdown until we were assured that the supplies had been received on the previous drawdown.

Mr. SMITH. Do you take into consideration in making a grant like this whether or not the grantee is involved in other activities, not with your money but with their own money, that might be construed as being in violation?

Mr. GERSHMAN. The issue never came up, because when the board approved those agreements, the grantee was not involved in any of that kind of activity.

Mr. SMITH. I see. When did it come up first?

Mr. GERSHMAN. When did the issue first come up?

Mr. SMITH. Yes.

Mr. GERSHMAN. Of the involvement in such activities?

Mr. SMITH. Yes.

Mr. GERSHMAN. Well, we were informed after the board took the January 27 decision to approve the La Prensa grant the second time, that PRODEMCA would be engaged in such activities. They agreed that it was very important to check with the local grantees to see if this would in any way affect their ability to function, whether it would cause any problems for them, and so they did undertake such a check with the groups in Nicaragua. We agreed that that would be the proper course to take.

Our primary concern is, of course, the well-being of the groups we are trying to help, and as a result of that process of consultation, it was determined that an urgent grant would be made to La Prensa through PRODEMCA, but that after that grant was made we would seek another grantee.

Mr. SMITH. Could you have made the grant directly?

Mr. GERSHMAN. We could have made the grant directly to the supplier.

Mr. SMITH. To the supplier but not to La Prensa?

Mr. GERSHMAN. Well, there are no direct funds that go into Nicaragua. The supplier is a Miami supplier. It has been a supplier for the newspaper now for well over a decade, and we checked and we could make the grant directly to the supplier. Our board chose to go through a nonprofit organization.

Mr. SMITH. Are they getting supplies or help to buy supplies from any other source?

Mr. GERSHMAN. There is a group in the United States called Americares, which is based in New Canaan, Connecticut, and raises humanitarian support for different causes around the world, which did raise during the past year newsprint from the pulp and paper industry in the United States, and they also raised funds for shipment of that newsprint to Nicaragua.

Mr. SMITH. To what extent do you know who the ultimate recipient is of the proceeds of a grant, when you make the grant?

Mr. GERSHMAN. We do require adequate documentation in order to determine that, and so we are able to ascertain that.

Mr. SMITH. Did you then determine that you wanted to help La Prensa and then look for a conduit through which you could help it, or did PRODEMCA come to you and say, "We need the help"?

Mr. GERSHMAN. As a matter of fact, this raises a basic question as to how the Endowment functions——

Mr. SMITH. Right.

Mr. GERSHMAN [continuing]. With respect to these grants, and I would like to take a moment to explain that so it is perfectly clear. It has been the policy of our board, since the Endowment first began, to award grants through a U.S. organization, and there are several reasons for this. The participation of a diversity of private U.S. organizations in this work is viewed as essential to the principle behind the creation of the Endowment.

While the emphasis was on involving these four major sectors of American society that are represented here at this table, it was felt that it was also important to involve others since the development of a broad range of strong private independent institutions in other countries is the key to the emergence of and strengthening of democracy.

Because our staff is very small, it was also felt that we could not take on all of the day-to-day responsibility required in the administration of grants, and in any case, it was felt the Endowment shouldn't have to duplicate in its own staff the full range of expertise already present in substantial American institutions.

Now, with that said, our board policy has been to make the grant agreement directly to a private U.S. organization which then has the responsibility for monitoring the grant, the reporting requirements, for being audited and so forth. Leaving aside now the four major institutes, it can happen in various ways as to how a grantee will be selected.

Sometimes the foreign group will actually approach us in cooperation with the U.S. group, sometimes as in the case of La Prensa we will be approached directly by that foreign group, and then we will look for an appropriate U.S. grantee.

Mr. SMITH. Is that what happened in this case?

Mr. GERSHMAN. In the case of La Prensa that is what happened, and we did conduct a search to look for an appropriate U.S. grantee. Of course, we did this in consultation with La Prensa. The qualifications of the grantee would have to be an organization that was democratic in its character, and capable, both knowledgeable about the situation in the region and able to handle funds efficiently and effectively and able to do the reporting that we require, and of course it has to be acceptable to the group that we are helping. They have to want to work with that group. That is the procedure that we followed in selecting the grantee here.

Mr. SMITH. Were there no other applicants?

Mr. GERSHMAN. There were other groups that we checked with, and there were several that just were reluctant to get into the situation and PRODEMCA was both capable and ready to do so, and acceptable.

Mr. SMITH. So then as I understand you, PRODEMCA was merely a conduit for getting the money to them, is that it?

Mr. GERSHMAN. I think it is is more than a conduit, Mr. Chairman. They signed this very elaborate grant agreement, and that grant agreement has many conditions and reporting requirements, reporting and monitoring requirements, maintaining adequate documentation, conducting audits and so forth. It is much more than a conduit. They had an oversight function as well.

Mr. SMITH. How much do they take off for overhead?

Mr. GERSHMAN. They took off 7 percent. I might add that our experience has been with major grantees of AID, for example, that sometimes we will approach, that the indirect cost rate is 37 percent, so the overhead rate here is very, very low. We are dealing with highly dedicated people who have often put in more time, more effort than was actually covered in the cost of the overhead.

Our board has insisted that we try to keep these overhead cost rates as low as possible, and in fact we have been trying to institute a policy of a ceiling on these smaller grants of 12 percent. In some cases this really involves a sacrifice on the part of the organization. The staff cost, communication costs, auditing and traveling costs, going to the region and meeting with the group and checking on it, are much higher than the amount of funds that we can make available.

Mr. **Smith**. At the time you selected PRODEMCA for this grant, did you know that they might become involved in internal politics or political questions in this country?

Mr. **Gershman**. Well, many of the organizations that we will get involved with are involved in the internal politics of the country, especially if you are dealing with mainstream organizations in the United States. You are not going to get organizations that are not involved in the internal policies of the United States. The important thing is that the grant agreement can adequately protect against the use of our funds for such purposes and we think the grant agreement adequately protects against that. In the case of PRODEMCA, there was absolutely no commingling of funds.

Mr. **Smith**. So your objective, then, is not necessarily to select a conduit that will not become involved in a controversial political question, but rather just to make sure that whatever funds they use are not used for that purpose?

Mr. **Gershman**. That is the precaution that we take. Our objective is first of all to find an organization—if we have to find the organization—that is clearly able to do this kind of a job, which requires knowledge and ability to relate to the group abroad. You just can't take any group and establish a relationship here, and that has this democratic orientation, knowledge, competence, and so forth, and then what I think is an equally important condition, that it is the kind of a group that the group abroad feels comfortable in relating to. This is a difficult task, but basically it has worked very well.

Mr. **Smith**. Did you determine in advance exactly how you wanted this money spent, and then look for a conduit? I am not quite clear on that yet. Or did you jointly decide?

Mr. **Gershman**. Well, in this particular case, La Prensa made very clear what its needs were, and then——

Mr. **Smith**. Did they come to you with PRODEMCA——

Mr. **Gershman**. No.

Mr. **Smith** [continuing]. Or did they come to you——

Mr. **Gershman** [continuing]. In which they made an urgent We have a letter which I would be happy to submit dated August 25, 1984——

Mr. **Smith**. Let's put it in the record.

Mr. **Gershman** [continuing.] In which they made an urgent appeal for funds to us.

[The information follows:]

TELEFONOS:
DIRECCION 41140-41240
REDACCION 40319-43160
ANUNCIOS 42790

LA PRENSA
KM. 4 1/2 PISTA PEDRO JOAQUIN CHAMORRO C.
APARTADO POSTAL No 192
TELEX No 377 1061
MANAGUA, NICARAGUA

TELEFONOS
VENTA 42490-42890
CIRCULACION 41051-42580
CONTABILIDAD 42890-43370

RECEIVED
OCT - 4 1984

Managua Agosto 25, 1984

Mr. Carl Gershman, President
National Endowment For Democracy,
1156 15th. St. N.W. Suite 304,
Washington, D.C. 20005,
U.S.A.

Sr. Presidente:

Por medio de la presente queremos exponer a usted los problemas que afronta el Diario LA PRENSA, para continuar editándose en Nicaragua, debido principalmente a la crisis que vive el país por la falta total de divisas para importar materias primas y servicios noticiosos que tienen que ser pagados en dólares de los Estados Unidos de Norteamérica.

El problema principal por ahora no es el suministro de papel, ya que el gobierno nos está aprobando divisas para importar papel, aunque de una forma algo irregular y con atrasos de pago, situación que nos aumenta los costos, pero sin hasta el momento habernos afectado las existencias necesarias.

Tenemos existencias de papel hasta finales de Octubre, comprado en la República de Argentina con una línea de crédito concedida al gobierno de Nicaragua, además de una cantidad de papel soviético que nos vendió el gobierno aquí en Nicaragua y una donación de los periódicos de Noruega de 90 toneladas.

La crisis total de divisas que vive el país, ha sido la causa de que varios pedidos por valor de US$110.523.26 (ver anexo No. 1), ya embarcados, recibidos y pagados por nosotros al Banco Central de Nicaragua (en córdobas) continuen sin ser pagados (en dólares) a los suplidores. Estos pedidos son de papel y materia prima, de tal forma que los suplidores se niegan a embarcar nuevos pedidos hasta no recibir estas cancelaciones, el papel se ha resuelto por otros suplidores, como ya explicamos; pero la materia prima no ha sido resuelto para lo que requerimos de US$28.000.00 - mensuales (ver anexo No. 2), así que nosotros tememos que pronto podamos quedar sin algunos materiales indispensables para publicar el periódico.

LA PRENSA cree que si no se dá alguna solución a este problema corre el peligro de pararse por falta de materiales para su publicación en un - corto plazo, creemos que LA PRENSA es un factor importante en el mantenimiento del pluralismo, y la Democracia en Nicaragua.

Hemos pensado en solicitar alguna donación a la Inter American Press

TELEFONOS:
DIRECCION 41140-41240
REDACCION 40319-43180
ANUNCIOS 42790

LA PRENSA
KM. 4 1/2 PISTA PEDRO JOAQUIN CHAMORRO C.
APARTADO POSTAL No 192
TELEX No. 375 1051
MANAGUA, NICARAGUA

TELEFONOS
P. y VENTA 42480-42890
CIRCULACION 41051-42580
CONTABILIDAD 42080-43370

Association (IAPA) o a la American News Paper Association (ANPA) y queremos saber si la National Endowment for Democracy, estaría interesada - en avocar fondos por medio de estas asociaciones para que sean usadas - en apoyo a LA PRENSA, para así nosotros hacer los contactos adecuados con ellos, o si sería posible una donación directa a LA PRENSA de parte de la National Endowment for Democracy, queremos hacer notar a usted que una donación directa es permitida por las leyes de Nicaragua, con la única condición que sea aprobada y registrada en el Banco Central de Nicaragua antes de ser recibida, hasta el momento el gobierno no ha puesto problemas a estas donaciones en el pasado como el caso de un préstamo de medio millón de dólares que recibimos de la Fundación Alemana Friedrich Naumann para reconstruir LA PRENSA. En Agosto de 1982 recibimos una donación de la compañía americana Chemco Panamerican Inc., la que fue registrada según carta del Banco Central (ver anexo No. 3).

La donación requerida sería de US$100.000 (CIEN MIL DOLARES), para resolver el problema; pero una cantida menor vendría a aliviar el problema inmediato.

Agradeciéndole de antemano la atención que, estamos seguros le dará a la presente quedo de usted con toda consideración y respeto,

Muy atentamente,

JAIME CHAMORRO C.
Gerente General

cc.: Senator Orrin Hatch
Senate Office Building,
Washington, D.C. 20510,
U.S A.

Archivo.

JChC/mls.

ANEXO # 1

LISTA DE SOLICITUDES DE IMPORTACION APROBADAS POR EL MINISTERIO DE INDUSTRIA,PERO QUE AUN NO HAN SIDO CANCELADAS A LOS PROVEEDORES.

Solicitud No.	Proveedor	Valor US$	Modalidad	fecha
SESION No.88 CAD				
15-84-Z-00601	ABIPRICE	44,528.94	Giro a plazo	30/3-84
15-84-Z-00602	PURCHASING	14,900.00	" "	" "
SESSION No.85				
15-84-Z-00308	PURCHASING	1,400.00	" "	" "
SESION No.92 CAD				
15-84-Z-00816	ABIPRICE	22,532.32	Giro a plazo	3-5-84
SESION No. 80				
15-84-Z-00160	PURCHASING	4,500.00	GIRO a plazo	10-2-84

Solicitud No.1584-Z-01639 por valor de US$22,662.00 correspondiente a la Importación de 36 toneladas en el mes de Noviembre de 1983., continua en trámite en el Ministerio de Industria.

Nota: Los valores correspondientes a las solicitudes antes apuntadas ya fuerón depositados en el B.C.N., exceptuando la 1584-Z-01639.

TELEFONOS:
DIRECCION 41140-41240
REDACCION 40319-43180
ANUNCIOS 42780

LA PRENSA
KM. 4 1/2 PISTA PEDRO JOAQUIN CHAMORRO C.
APARTADO POSTAL No' 192
TELEX No 375 1051
MANAGUA, NICARAGUA

TELEFONOS
P. y VENTA 47490-47880
CIRCULACION 41051-47580
CONTABILIDAD 42690-43370

ANEXO #2

REQUERIMIENTOS DE MATERIA PRIMA

EDITORIAL "LA PRENSA"

1	PLANCHA DE ALUMINIO	$ 3.000.00
2	PELICULAS PARA FOTOMECANICA	6.011.00
3	PELICULA PARA FOTOGRAFIA	705.00
4	QUIMICOS PARA PELICULA	1.983.00
5	QUIMICOS PARA PLANCHAS	865.50
6	PAPEL FOTOGRAFICO	2.752.00
7	PAPEL FOTOCOMPOSICION	1.746.00
8	QUIMICOS FOTOCOMPOSICION	856.20
9	TINTA	3.700.00
10	CINTA PARA EMPAQUE	671.00
10	QUIMICOS ROTATIVA	1.148.66
12	QUIMICOS COMPUTADORA	391.50
13	MISCELANEOS FOTOMECANICA, FOTOGRAFIA,	650.00
14	MANTILLAS ROTATIVA	720.14
	TOTAL	$ 25.200.00
	GASTOS DE EMBARQUE	2.800.00
		28.000.00

TRANSLATION OF LETTER

Managua August 25, 1984

Mr. Carl Gershman
National Endowment for Democracy
1156 15th Street, N.W., Suite 304
Washington, D.C. 20005
USA

Mr. President:

We would like to take this opportunity to explain to you the problems that "La Prensa" is facing in continuing publication in Nicaragua. The problem is due primarily to the country's crises surrounding a deficiency in a foreign exchange needed for importing primary materials and vital services that must be paid in dollars in the United States of America.

Our primary problem has not been the supply of paper, as the Government has approved for us foreign exchange rates to import paper, although in an inconsistent manner and with delays in payment. This situation has served to escalate our costs, although it has not adversely affected the necessary supply, up to now.

We have a supply of paper sufficient to last through October. This paper was purchased from the Argentine Republic with a line of credit being granted to the Government of Nicaragua. In addition, an amount of Soviet paper was sold to us by the Government here in Nicaragua, and, also, a donation of 90 tons was provided by the Norwegian newspapers.

The exchange rate crises that our country is experiencing has been the cause of various orders, valued at U.S. $110,523.26 (see attachment No. 1), still having not been paid (in dollars) to the suppliers. These orders have been shipped, received and paid for by us to the Banco Central (Central Bank) of Nicaragua (in Cordobas). These orders are for paper and primary materials, the suppliers have refused to ship new orders until the pending transactions have been finalized (written off). The paper supply has been provided for through other suppliers, as we have explained above. But the primary materials have not been resolved, for which we need U.S. $28,000.00 per month (see attachment No. 2), therefore, we may soon be without some materials that are indispensably vital for the continued publication of our newspaper.

We at "La Prensa" are of the belief that unless a solution to this problem is found, we will run the risk of having to close down for lack of materials needed for publishing on a short term basis. We believe that "La Prensa" is an important factor toward the end of maintaining pluralism and democracy in Nicaragua.

We have thought of requesting donations from the Inter-American Press Association (IAPA) or the American Newspaper Association (ANPA), and we would like to know if the National Endowment for Democracy would be interested in providing funds through (by means of) these organizations for the purpose of supporting "La Prensa", and we would accordingly contact them. Or, if possible, a donation made directly to "La Prensa" by the National Endowment for Democracy. We would like to point out to you that a direct donation is permissible under Nicaraguan law, with the sole condition being that the donation be approved and registered at the Banco Central of Nicaragua, prior to its being actually received. Up to now, the government has not presented any problems with donations of this nature in the past. For instance, we received a loan of $500,000.00 from the (German Freidrich Naumann Foundation, for the purpose of rebuilding "La Prensa". Also, in August of 1982 we received a donation from the american company, Chemco Panamerican, Inc. as registered according to a letter from the Banco Central (see attachment No. 3).

The hoped for donation, to solve the problem, would be for U.S. $100,000.00, but a lesser amount would help to alleviate the immediate problem.

Let me thank you beforehand for the attention we are certain you will give this matter. You have my fullest respect and regard.

Most sincerely yours,

Jaime Chamorro C.
General Manager
"La Prensa"

cc: Senator Orrin Hatch
Senate Office Building
Washington, D.C. 20510

Archivo.

JChC/mis.

ATTACHMENT NO. 2

REQUIREMENTS FOR PRIMARY MATERIAL

"LA PRENSA" PUBLISHING COMPANY

1.	ALUMINUM PLATE	$ 3,000.00
2.	FILM FOR PHOTOMECHANICS	6,011.00
3.	PHOTOGRAPHIC FILM	705.00
4.	CHEMICALS FOR FILM	1,983.00
5.	CHEMICALS FOR PLATES	865.50
6.	PHOTOGRAPHIC PAPER	2,752.00
7.	PHOTOCOMPOSITION PAPER	1,746.00
8.	PHOTOCOMPOSITION CHEMICALS	856.20
9.	INK	3,700.00
10.	PACKING TAPE	671.00
11.	ROTARY CHEMICALS	1,148.66
12.	COMPUTER CHEMICALS	391.50
13.	MISCELLANEOUS PHOTOGRAPHY, PHOTOMECHANICS	650.00
14.	ROTARY MOLDS	720.14
	TOTALS	$25,200.00
	SHIPPING COSTS	2,800.00
		$28,000.00

Addendum D

November 20, 198

Tomas Borge Martinez
Minister of Interior
Commander of the Revolution

Dear Commander:

The purpose of this letter is to update you on La Prensa's situation with regard to the supplying of primary materials, arriving from the exterior, that are necessary for publication.

I am sending this report to you in accordance with your request to be so informed and with hope that you may be able to improve the situation regarding the supplying of primary materials that we require.

To summarize, I would like to divide the problem of supply, or provision, in two principal headings: in the first instance, newsprint paper, and, secondly, the remaining materials such as plates, photomechanics film, developers, etc. At the same time, these two headings can be divided in two different situations: the present situation with future orders, and secondly, the situation of orders already received or in a stage of approval or in customs.

Following is a description of the situation:

I PAPER

Ia. Presently, we are purchasing the paper from "Complejo Papelero de Nicaragua, S.A." (COMPANIC), a state company supplied by the Soviet Union. Up to now, we have not had any problems, but we do not know how much longer they will be able to supply us.

Ib. ORDERS ALREADY RECEIVED.

Under this heading of "paper", the last two orders imported directly from Canada that arrived in February and March of 1984, for the amounts of U.S. $44,528.94 and U.S. $22,532.32, respectively, have not been "canceled" by the suppliers; ABITIBI-PRICE SALES CORPORATION (although, according to orders given by you they were approved and paid by us to the Banco Central).

We do not doubt that this is due to the lack of the foreign exchange rates that faces the nation. However, the suppliers who shipped the paper did so confidently assuming as accurate our promises that everything was fully authorized. They do not understand our situation, and if paper were required from Canada again, I am confident they would transact a shipment to us only through payment in advance or an irrevocable letter of credit.

II. OTHER PRIMARY MATERIALS

IIa. PRESENT SITUATION

We presently have primary materials in: warehouse storage, orders in customs, and orders yet to be received, sufficient to cover our needs until December, 1984; and some materials to last until January, 1985. Under this heading, as with the "paper" heading, many orders that were authorized in accordance with orders given by you and that were finalized ["cancelled"] by us at the Banco Central, have not been paid to the supplier - International Purchasing & Export, Inc. of Miami. They have advised us that they will not send new orders. (See attached: Chart of all importations and their present situation).

The circumstances of the importation of primary materials is more serious than that of paper, as the providing of paper presently does not depend on the payment of pending orders, because it is available through COMPANIC. If the pending orders are not paid for, we will not receive the remaining primary materials.

IIb. FUTURE ORDERS

Since we saw that cancellation of the pending orders were being delayed, we began to solicit donations, or loans, to be converted into cordobas, from these foundations: Konrad Adenauer, Friedrich Naumann, both of Germany, and the National Endowment for Democracy of Washington, U.S.A. The German Foundations, with the sanction of the Ministry of Economic Cooperation of the FGR (see attached letter to the Konrad Adenauer Foundation and conl now have taken place through letters or by phone, and to sign a contract, providing the request were approved. However, due to the recent travel restrictions, I do not know if I will be able to leave, which would serve to place an obstacle in this operation.

In addition to everything which I have presented, I would like to inform you that the latest orders which have arrived, or that are enroute, have not been approved for (formal) request for importation by the Ministry of Industry. We are having sl now have taken place through letters or by phone, and to sign a contract, providing the request were approved. However, due to the recent travel restrictions, I do not know if I will be able to leave, which would serve to place an obstacle in this operation.

In addition to everything which I have presented, I would like to inform you that the latest orders which have arrived, or that are enroute, have not been approved for (formal) request for importation by the Ministry of Industry. We are having serious difficulties with having ink presently in customs and not being able to use it, with our present supply lasting only 15 more days. Also, the same with photomechanics film -- we are working with a loan we made with El Nuevo Diario (our order remaining in customs). With the cooperation of the Foundations, mentioned above, our problems, in large measure, would be solved, but at this time we are having serious problems. We have asked for the collaboration of Lieutenant Nelba Blandon, but up to now, we have not obtained any positive results.

IN SUMMARY:

I) PAPER - We have enough to last 3 months and we expect that COMPANIC will continue to supply us in the future. With reference to the previous orders, our suppliers have not been paid a total of U.S. $67,061.14.

II) OTHER PRIMARY MATERIALS - Sufficient to last until December, 1984-January 1985 -- with excellent possibilities, through international assistance, for sufficient aid to last another six months. Or, if international aid is not forthcoming, the pending orders would have to be paid to our suppliers, totaling U.S. $20,000.00, in order to be able to operate for two months more until March, 1985. The negotiations for requested assistance depend, in large part, on my being able to travel abroad (to the exterior).

III). At the same time, it is necessary to resolve the problem of the orders that are in Nicaragua, that because of lack of approval, cannot be transferred from customs.

Hopeful that we have fully informed you of our situation, we are at your orders to provide any additional clarifying, or details, and we promise to continue to keep you fully informed about our situation.

Jaime Chamorro Cardenal
General Manager

cc: Tnte. Nelba C. Blandon
Archivo

JCH/isj

Addendum D:

List of request for importation approved by the Ministry of Industry, but that have not yet been cancelled by the suppliers; these requests have been deposited in the Banco Central of Nicaragua.

IMP. REQ. NO.	SUPPLIER	VALUE U.S.$	TERMS	DATE
1584Z00601 (ORDER #2-84)	ABIPRICE (SESSION NO.88 CAD)	$44,528.94	CONSIGMENT	3/30/84
1584Z00602 (ORDER 4-84)	PURCHASING (SESSION NO.88 CAD)	14,900.00	"	3/30/84
1584Z00308 (ORDER 3-84)	PURCHASING (SESSION NO.85 CAD)	1,400.00	"	3/30/84
1584Z00816 (ORDER 5-84)	ABIPRICE (SESSION NO.92 CAD)	22,532.32	"	5/03/84
1584Z00160 (ORDER 1-84)	PURCHASING (SESSION NO.80 CAD)	4,500.00	"	2/10/84

List of requests for importation in transit with the Ministry of Industry, which have not been approved.

1584Z02063 (ORDER #7-84)	PURCHASING	12,800.00	C/CREDIT	7/17/84
1584Z02270 (ORDER #9-84)	PURCHASING	9,000.00	C/CREDIT	8/20/84
1584Z02463 (ORDER #10-84)	PURCHASING	2,436.00	CONSIGNMENT 90 DAYS	9/18/84
1584Z02576 (ORDER #12-84)	PURCHASING	972.55	CONSIGNMENT 180 DAYS	10/9/84

SIGNED
Daniel Hidalgo V.
Importations
F: 11/13/84

Mr. SMITH. Go over again how this grant is fully within the statute.

Mr. GERSHMAN. Well, it is within the statute because the statute simply calls upon the Endowment to promote democracy and democratic values and political pluralism and democratic development and so forth, and in that sense support for in this case an institution that was representative of the effort to work for freedom in that country, had been under the previous government just as much as it is now, which seemed to be very consistent with the thinking behind the statute.

Then it was also consistent with the broad policy statement that our board adopted in December of 1984, setting forth in a more specific way the programmatic framework for the Endowment in the areas of pluralism, democratic governments, education, culture and communications, and this fit under the education, culture and communication section where it was seen that one of the goals of the Endowment would be to try to promote a free press around the world. Certainly in the case of Nicaragua this newspaper represented the effort to preserve a free press.

Mr. SMITH. And what kind of consultation did you have with the Department of State on this? You said it was informal?

Mr. **Gershman**. At that time there was no specific procedure that was called for regarding consultation with the Department of State.

Mr. **Smith**. At the time of this last grant?

Mr. **Gershman**. No. Oh, as far as the last grant goes, we did have a procedure at that time. The procedure we have agreed upon following the adoption of the statute was that we would submit to the Department of State all of the proposals that would go before our board prior to action by the board, for their comments, which we did.

Mr. **Smith**. Mr. Carr.

Mr. **Carr**. Thank you, Mr. Chairman.

GRANT ADMINISTRATIVE COSTS

Would you supply for the record on all your grants how much has been taken for administration, and get from those groups the detailed documentation of what those administrative costs are.

Mr. **Gershman**. Sure.

Mr. **Carr**. Down to names of people who are paid under that administration.

Mr. **Gershman**. We can do that, yes.

[The information follows:]

NATIONAL ENDOWMENT FOR DEMOCRACY
GRANTEE ADMINISTRATIVE SALARY EXPENDITURES
AS OF DECEMBER 31, 1985

GRANTEE: CIPE
GRANT #: 84-4A-02.0
GRANT PERIOD: 12/83 - 12/31/85

NAME	POSITION	AMOUNT
Elizabeth Buckley	Exec. Secretary	5,657.75
Anne Harrington	Dir., Western Europe & Int'l Programs	35,076.82
Diane Kohn	Secretary	969.36
Steven Rogers	Grants Administrator	13,784.64
Michael Samuels	Vice President	27,898.74
John Sullivan	Dir. Public Affairs	40,706.68
Phyllis Twillie	Secretary	9,216.40
Teresa Wright	Secretary	9,743.55
	TOTAL	143,053.94

GRANTEE: NRIIA
GRANT #: 84-4C-01.0
GRANT PERIOD: 12/83 - 12/31/85**

NAME	POSITION	AMOUNT
Anne P. Bowers	Exec. Assistant	7,346.61
Anne O. Curtin	Exec. Assistant	25,858.50
Yvonne Eason	Admin. Assistant	34,939.95
Robert Henderson	Dir. or Programs	91,769.01
Mark R. Paoletta	Research Assistant	2,500.00
Keith Schuette	Executive Director	98,492.65
James S. Wagner	Dir. of Administration	78,059.01
Cathlena Walther	Research Assistant	33,584.00
	TOTAL	372,549.73

GRANTEE: NDIIA
GRANT #: 84-4D-01.0
GRANT PERIOD: 12/83 - 12/31/85**

NAME	POSITION	AMOUNT
Cheryl Adelstein	Secretary	1,725.00
Brian Atwood	Executive Director	64,167.00
Jacqueline Barnes	Receptionist	16,750.00

**NOTE: This grant covers two years or more. Therefore, administrative expenditures, including salaries, do not represent annual rates but rather actual expenditures during the period ending December 31, 1985. Some positions, of course, were filled for only a part of the 24-month period; others for

NAME	POSITION	AMOUNT
Karen Clark	Executive Assistant	14,687.00
Vivian Derryck	Program Director	56,583.00
Virginia Foster	Dir. of Administration	65,728.00
Dietra Littles	Program Secretary	3,158.00
John P. Loiello	Executive Director	61,013.00
Denise O'Leary	Special Projects Director	5,705.00
Helen Short	Program Secretary	29,039.00
Ruth Udell	Program Officer	41,174.00
	TOTAL	359,729.00
	GRANTEE: The Chinese Intellectual	
	GRANT #: 844-AA-01.0	
	GRANT PERIOD: 7/84 - 6/85	
Heng Liang		17,939.7
Nien Chung Tu		8,072.7
Huang Cuo Cang		6,579.12
Ho Ping		7,991.82
Cheung Jong Leung		932.1
Jem Li		585.60
	TOTAL	42,092.04
	GRANTEE: Partners of the Americas	
	GRANT #: 84-AA-08.0	
	GRANT PERIOD: 9/17/84 - 10/31/85	
James Cooney	Partnership Representative	7,614.00
Alan A. Rubin	President	450.00
E. David Luria	Director of Administration	179.00
	TOTAL	8,243.00
	GRANTEE: Freedom House	
	GRANT #: 84-AA-10.0	
	GRANT PERIOD: 9/84 - 9/85	
Barbara Futterman	Director of Exchange	26,740.38
Irene Appelbaum	Administrative Assistant	2,711.55
Jiri Pehe	Administrative Assistant	10,615.31
	TOTAL	40,067.24

GRANTEE: OEF International
GRANT #: 84-AA-11.0
GRANT PERIOD: 9/17/84-5/31/86

Elise Smith	Executive Director	4,276.64
Anna Coralles	Executive Assistant	1,366.70
Joan Goodin	Deputy Director	2,948.99
Judith Johnson	Director, Adm. & Finance	1,653.97
Salwa Levsey	Controller	2,696.53
Kate Iskander	Finance & Personnel Ofcer	1,432.80
Marian Watson	Finance Assistant	1,091.66
Jacqui Lucas	Receptionist	481.08
	TOTAL	15,948.31

GRANTEE: Cuban American Nat'l Foundation
GRANT #: 84-AA-12.0

NONE

GRANTEE: Stanford University
GRANT #: 84-AA-13.0

Lisa Fuentes	Research/Adm. Ass't	9,000.00
	TOTAL	9,000.00

GRANTEE: YMCA of the USA - Int'l Division
GRANT #: 84-AA-15.0
GRANT PERIOD: 9/84 - 12/85

Luigi Mitriotti	Project Coordinator	5,298.62
	TOTAL	5,298.62

GRANTEE: Polish Institute of Arts and Sciences
GRANT #: 84-AA-17.0
GRANT PERIOD: 9/1/84 - 6/30/85

NONE

GRANTEE: Caribbean/Central America Action
GRANT #: 84-AA-18.0

Velda Nichols	Wordprocessor	21.00
Catherine Pearson	Associate Director	1,060.00
Hilma Stanley	Financial Officer	1,151.00
Susan Donavan	Clerical Temp	25.00
	TOTAL	2,257.00

GRANTEE: The Phelps-Stokes Fund
GRANT #: 85-698-P-023-01.1
GRANT PERIOD: 12/4/84 - 3/31/85

NAME	POSITION	AMOUNT
Stafford Kay	Program Coordinator	833.00
Carol Gallagher	Administrative Assistant	375.00
	TOTAL	1,208.00

GRANTEE: CIPE
GRANT #: 85-099-P-001-2.2
GRANT PERIOD: 12/4/84 - 3/31/86

Caroline Beeson	Director, Asian Programs	18,403.70
Elizabeth Buckely	Executive Secretary	5,440.50
Wanda Chase	Secretary	4,899.94
Anne Harrington	Dir. W. Europe & Int'l Prog.	41,814.11
Donald Hasfurther	Advisor, E. Europe Programs	544.46
J. Philip Hinson	Dir. Middle East Programs	8,077.47
Jean Hong	Executive Secretary	1,750.16
Lauren Jones	Secretary, Asian Programs	2,635.54
Diane Kohn	Sec'y, Latin American Prog.	15,017.91
Allison Lippa	Sec'y, Asian Programs	2,485.22
Keith Miceli	Dir., Latin American Programs	23,868.65
Maria Moser	Sec'y, E. European Programs	188.18
Karen Patterson	Secretary to Vice President	702.73
J. Scott Robinson	Asst. Grants Administrator	2,933.07
Steven B. Rogers	Grants Administrator	33,124.98
Michael Samuels	Vice President	49,996.18
John Sullivan	Dir. Pub. & Cong. Affairs	44,403.82
Peggy Tirk	Sec'y, Mid. East Programs	435.24
Phyllis Twillie	Secretary	11,510.57
Howard Wallack	Asst. Dir., Latin Amer. Prog.	22,403.88
Cheryl Whittaker	Program Assistant	3,429.41
Teresa Wright	Secretary	10,930.23
	TOTAL	304,985.95

GRANTEE: Overseas Education Fund
GRANT #: 85-528-P-014-06.0
GRANT PERIOD: 3/1/85 - 6/30/85

Elise Smith	Executive Director	702.14
Anna Coralles	Executive Assistant	224.38
Joan Goodin	Deputy Director	476.02
judith Johnson	Dir. Admin. & Finance	271.55
Salwa Levsey	Controller	442.71
Kate Iskander	Finance & Personnel Offier	235.24
Marian Watson	Finance Assistant	179.23
Jacqui Lucas	Receptionist	78.98
	TOTAL	2,610.25

GRANTEE: U.S. Overseas Cooperative Development Committee
GRANT #: 84-AA-070

NAME	POSITION	AMOUNT
NONE		

GRANTEE: AEJMC
GRANT #: 85-698-E-026-09.0
GRANT PERIOD: 5/1/85 - 9/31/85

J.W. Hunt CPA Co.	Bookkeeping/accounting	250.00
	Auditing Firm	600.00
	TOTAL	850.00

GRANTEE: American Friends of Afghanistan
GRANT #: 85-305-E-027-10.0
GRANT PERIOD: 4/1/85 - 3/31/86

A. Moqim Rahmanzai	Coordinator	17,500.00
	TOTAL	17,500.00

GRANTEE: Caribbean/Central American Action
GRANT #: 85-520-G-020-11.0

Catherine Pearson	Associate Director	1,933.00
Hilma Stanley	Financial Officer	522.00
	TOTAL	2,455.00

GRANTEE: Caribbean/Central American Action (Dominica)
GRANT #: 85-596-E-020-12.1

Velda Nichols	Wordprocessor	353.00
Catherine Pearson	Associate Director	1,760.00
Hilma Stanley	Financial Officer	311.00
	TOTAL	2,424.00

GRANTEE: Time and We Publishing House
GRANT #: 85-197-E-028-13.0
GRANT PERIOD: 5/1/86 - 3/1/87

Victor Perelman	Publisher	4,600.00
	TOTAL	4,600.00

NAME	POSITION	AMOUNT
	GRANTEE: Problems of Eastern Europe	
	GRANT #: 85-197-E-029-14.0	
	GRANT PERIOD: 4/85 - 3/86	
Frantisek Silnicky	Editor-in-chief	4,800.00
	TOTAL	4,800.00
	GRANTEE: A. Phillip Randolph Educ. Fund	
	GRANT #: 85-674-E-030-15.3	
	GRANT PERIOD: 7/1/85 - 3/31/86	
Walter Naegle	Coordinator	8,655.00
	TOTAL	8,655.00
	GRANTEE: Aurora Foundation	
	GRANT #: 85-181-E-031-16.0	
NONE		
	GRANTEE: Aurora Foundation (Zeszty)	
	GRANT #: 85-181-E-031-17.0	
NONE		
	GRANTEE: Caribbean/Central American Action (Dominica)	
	GRANT #: 85-542-E-020-20.0	
Catherine Pearson	Associate Director	519.00
Hilma Stanley	Financial Officer	303.00
	TOTAL	822.00
	GRANTEE: China Perspective, Inc.	
	GRANT #: 85-484-E-005-21.1	
	GRANT PERIOD: 7/85 - 12/85	
Heng Liang		13,014.82
Nien Chung Tu		6,377.52
Jim Li		7,680.36
	TOTAL	27,072.70
	GRANTEE: Freedom House	
	GRANT #: 85-1181-E-013-22.0	
NONE		
	GRANTEE: CUNY-Bildner Center	
	GRANT #: 85-513-P-032-18-0	

GRANTEE: AFGHAN Relief Committee
GRANT #: 84-AA-16.0

NAME	POSITION	AMOUNT
NONE		

GRANTEE: National Council of Negro Women
GRANT #: 85-625-P-025-07.0

NONE

GRANTEE: USC-Byrne Center
GRANT #: 85-386-E-033-19.0

NONE

GRANTEE: Committee In Support of Solidarity
GRANT #: 84-AA-19.3

NONE

GRANTEE: Free Trade Union Institute
NOTE: The salaries for FTUI and its affiliated institutes are annual rates paid with NED funds.

Tom Melia	Associate Director	40,000.00
Adrian Karatnycky	Director of Research	36,750.00
David Kopilow	Accountant	17,140.00
Carolyn Lauer	Program Officer	34,279.00
Steven Slezak	Program Officer	6,856.00
Anne Knipper	Management Assistant	29,612.00
Gloria Meredith	Bookkeeper	13,250.00
Araminta Coleman	Executive Secretary	25,000.00
Nina Visnansky	Financial Secretary	8,750.00

(African American Labor Center)

Lynn MacDonald	Program Officer	39,283.00

(American Institute for Free Labor Development)

David Jessup	Dir., Political Education	57,978.00

(Asian-American Free Labor Institute)

R. Garton	Program Officer	32,907.00
R. Senser	Director of Special Programs	49,757.00
C. Cisco	Secretary	16,581.00
V. Vuthiwong	Accountant	27,742.00

GRANTEE: Columbia U.
GRANT #: 84-AA-05.0

NONE

GRANTEE: Andrei Sakharov Institute
GRANT #: 84-AA-02.0

	Project Director	6,000.00
	Secretarial Support	3,240.00
	Administrative Support	8,905.00
	TOTAL	18,145.00

GRANTEE: PRODEMCA
GRANT #: 85-524-P-024-08.0

NONE

GRANTEE: Fifth International Sakharov Hearings
GRANT #: 84-AA-8.0

J. Cross	Secretary	1,267.00
	TOTAL	1,267.00

GRANTEE: International Freedom to Publish Committee
GRANT #: 84-AA-06.0

NAME	POSITION	AMOUNT
NONE		

GRANTEE: PRODEMCA
GRANT #: 85-524-E-024-03.0

NONE

GRANTEE: Jamaica World Relief
GRANT #: 85-099-I-022-04.2

NONE

ORIGINATION OF PROJECT CONCEPTS

Mr. **Carr**. Listening to your exchange with the chairman, I am a little confused as to who originates these project ideas. Does the Endowment originate them?

Mr. **Gershman**. As I explained in the beginning, the Endowment seeks to be responsive to the needs and aspirations of groups within countries that are working for democracy. We don't really presume to tell them how best to promote democracy in their country. What we do is establish certain parameters as to how we will function and what our objectives are, but they basically come to us with projects telling us what they think would best address the problem of democracy in a particular country, which is different from one country to another.

Mr. **Carr**. And then you find the conduit group to do that?

Mr. **Gershman**. No. The group that does the work is the group in the country basically. In this case La Prensa. What we have done, the purpose of having the U.S. groups involved is, first, because the Endowment thinks it is important that private U.S. organizations be involved in working with others abroad. This was one of the ideas behind the Endowment, but also for the purposes of accountability.

We have a very, very small staff, and our board has felt that for purposes of accountability, monitoring, reporting requirements and so forth, we should get others involved in this, and you have in the private sector in the United States many organizations, some of them very small, which have a great deal of commitment and expertise on some of the issues that we have to deal with, and we don't have that necessarily on our staff, so it is very useful to get these groups involved.

Mr. **Carr**. So is it these groups that have the project ideas? Where does the idea that attracts the money, where does that idea come from?

Mr. **Gershman**. In the case of La Prensa it came from La Prensa.

Mr. **Carr**. In the case of what, the Philippines, where did that come from?

Mr. **Gershman**. Well, again I think that those who are working in the Philippines can respond to that. I think that the Free Trade Union Institute is working with unions in the Philippines and they are involved in domestic struggles, and presumably the free trade unionists have been responsive to the worker organizations in those countries that are working for the principles of free trade unionism. Similarly, I think in the case of the grants of the party institutes, this was an observer delegation, and that idea as an observer delegation I think probably originated in consultation with people in the Philippines.

Mr. **Atwood**. Actually, the idea came from Ferdinand Marcos who, when he announced on American television that he was going to hold an election, welcomed international observers. We felt that this was an opportunity to strengthen the electoral process in the Philippines, to set a benchmark standard by which Mr. Marcos would be judged when he promised a free and fair election, and we consulted with people particularly in the National Citizens Movement for Free Elections, NAMFREL, and with the opposition party, before we made the decision finally to put together such delegation. That was the genesis of it.

Obviously, we also consulted with some people in the administration, just so that when we went over on our advance mission, we would have made the proper contacts within the Philippines.

Mr. CARR. Can you put that in a time perspective with respect to the administration's sending of its own delegation?

Mr. ATWOOD. I think that our report—we went over January 5 through 11, and our report to the Senate Foreign Relations Committee and to the public here about whether a free and fair election was possible based on the electoral code of the Philippines, and what were the considerations was important in the administration making a judgment, and Senator Lugar and John Murtha and others making a judgment as to whether a U.S. official delegation would go. That report was submitted to the Senate Foreign Relations Committee, I believe, on the 26th of January.

Ms. KEMBLE. I think this point is equally key from labor's point of view. We adhere almost religiously to the idea that these ideas for programs come from the people in the field. Part of the essential concept behind the Endowment itself was that this be the case, that we not be out there trying to promote our own ideas of what should happen. We do relate to democrats in these countries, people who are advocating democracy, but the ideas must come from them.

Now, this enables us not only to develop bilateral relationships with unions in these countries, but to help build a network of prodemocratic trade unionists throughout the world. The International Confederation of Free Trade Unions embodies this network. As to where the impetus is coming from, it is definitely coming from the field. In fact, we take our cues on how to handle these programs from those people as well.

Mr. CARR. I have no further questions.

GRANTS IN THE PHILIPPINES

Mr. SMITH. With regard to the Philippines, how many grants have you got in the Philippines?

Mr. GERSHMAN. We have major grants——

Mr. SMITH. This fiscal year, I am talking about 1986.

Mr. GERSHMAN. Major grants to the Free Trade Union Institute, they have a very substantial program there.

Mr. SMITH. How much is that?

Mr. GERSHMAN. $600,000.

Ms. KEMBLE. Yes, it is $600,000 this year. That reflects a considerable cut. The first year it was $2.1 million and the second year it was $1.3 million.

Mr. SMITH. In the Philippines?

Ms. KEMBLE. Yes, the Philippines alone is the largest Endowment program.

Mr. GERSHMAN. And then of course we have the grants for the observer delegation to both of the political party institutes.

Mr. SMITH. How much were they?

Mr. GERSHMAN. $45,000 each.

Mr. SMITH. That is the only three grants?

Mr. **Gershman**. The Center for International Private Enterprise representative, John Sullivan, might want to comment on their programs.

Mr. **Sullivan**. We have a project that has just been started in the Philippines, a grant that was just signed. It incorporates some funds from 1984 and some from 1986.

Mr. **Smith**. Do you have funds held up from 1984?

Mr. **Sullivan**. They are funds that we had obligated to them earlier. We held up signing the grant agreement.

Mr. **Smith**. What is the mission under that grant?

Mr. **Sullivan**. We have four objectives. The first and most important in our view is to strengthen the Philippines Chamber of Commerce and industry, so that we can get it outside of the central city, where most of the business activity is concentrated, and start building up business organizations in the provincial areas, the outlying islands and so forth, building a national network.

Based on that, we are also seeking to train business leaders as particular spokesmen, speakers, meeting with the media, to discuss economic and business issues. We have funds in there supporting public opinion polls which will be undertaken by the PCCI on, again, economic and business issues. And then the last element is a program to really beef up the communications in the Chamber, including an upgrading of their magazine, development of radio and television communications programs which reach the general public.

Overall, the whole effort is to try to get the concept of market economics as opposed to—as has been referred to by the Filipinos—crony capitalism to give them different views as to how these structures can work.

Mr. **Smith**. How much is the grant?

Mr. **Sullivan**. The total amount, $153,000. It will be over a period of 18 months.

Mr. **Smith**. Give us a brief summary of the labor program.

Ms. **Kemble**. Let me just say at the outset that there are two union organizations that we are working with there, the Trade Union Congress of the Philippines and the National Congress of Farmers Organizations. They have historically been caught in quite a political squeeze. The NPA at the local level, the Marcos regime's repressive labor policies, the KMU on the other side, which is the labor arm of the National Democratic Front on the left, constantly charging them with leaning too far to the right.

They have had a program going there now that is quite ambitious and successful since the Endowment was created. I think probably the most interesting part of it, from your point of view, is the recent activities in relation to the election, where beginning back in the fall they began to do a massive voter education program involving radio spots, newspaper ads, poll-watcher training.

Mr. **Smith**. Did they get involved on either side, or do you mean they were promoting the idea of exercising your right to vote?

Ms. **Kemble**. The latter. They did not get involved on either side. They had a no endorsement policy. There were elements within the union that supported Marcos, there were elements within the union that supported Aquino, so it was a totally nonpartisan effort, but it was quite massive. We had stories coming back regarding campaign posters—this kind of poster—that were put up all over the country. TUCP people were out on 24-hour vigil protecting them, because the Marcos forces were going around tearing them down.

They had people throughout the country as a part of this election effort—7,000 TUCP members became NAMFREL poll-watchers.

Other parts of the program, however, that were in place before last autumn contributed to the fact that this was able to take place, and this is described in the testimony. We have financed a major health care program, where nurses are trained who have ties to unionists. They go out to the countryside and offer nurse-practitioner assistance. At the same time as they are doing this, they will talk to the families about the value of representativeness, the value of union membership.

We have major loan and cooperative programs for farmers or for vendors in the city, that has enabled people who would otherwise be unemployed to begin their own economic activity.

These kinds of things have served as an organizational base to upset some of the pressures that have been put on people, particularly unemployed and underemployed farmers by the New People's Army.

Mr. SMITH. Isn't that a responsibility of AID?

Ms. KEMBLE. No. I think the political dimension of this, the democratic training is something quite new, and I would like to emphasize that. The AID program historically has dealt more with basic conventional union kinds of training, collective bargaining, how to negotiate, those sorts of things. What we have been able to add with the NED fund is training and discussions about democractic theory and practice. They are doing seminars in the Philippines now on "how should a union function in a democratic society." "What is the nature of citizenship responsibilities." These kinds of things which are specifically consistent with the purposes of the law, are new as a result of NED funding. I don't think we would be able to do them as extensively otherwise.

We have major publication programs also, I might add, where unions have been able to answer their critics on both the left and the right as well as get voices from other sectors that they are now trying to cooperate with. For example, there have been columns in some of these papers by church groups.

I might say in relation to that, there has also been created as a result of this money the opportunity for unionists to set up programs where union members would talk even to the military in places where there might have been a serious division and separation, and convince the military that all unionists aren't on the far left or aren't antidemocratic. They have also been able to make union members aware of what kinds of public services there are in a particular area, so that it has had the effect of a kind of coalescing, a pulling together of groups that might not otherwise be talking to each other.

These are quite different than the kinds of things we have been able to do with AID funding.

I think it is important to say—that the political and economic situation there now is very much in flux. You have unions that are trying to consolidate in the wake of this election aftermath, some of the pro-Marcos elements that had been there are in the wane in terms of their leadership strength.

The new government is letting out, as you have read, all kinds of people who have been in prison. There are efforts to reorganize some of the unions on the extreme left. At the same time our program is being cut severely.

We see a state of flux where serious work must continue to consolidate the organizational gains that have been made there. Our people are quite worried about the future.

[The prepared statement of Ms. Kemble follows:]

Testimony of Eugenia Kemble, Executive Director
Free Trade Union Institute, AFL-CIO
before the Commerce, State, Justice Subcommittee
of the House Appropriations Committee
U.S. House of Representatives

March 24, 1986

Thank you, Mr. Chairman, for this opportunity to appear before the subcommittee this morning on behalf of the Free Trade Union Institute, the AFL-CIO's institute handling labor funding from the National Endowment for Democracy.

First, I would like to say most emphatically, on behalf of the AFL-CIO and our many friends around the world who have benefited from funds provided by the National Endowment for Democracy, that we appreciate the support this committee has lent our programs. Endowment funding has enabled our democratic allies to build in ways that would simply not otherwise have been possible.

As you know, we will hope to testify on the full scope of our programs as a public witness in the hearings you have planned for the near future. Today we will concentrate on those countries in which you have expressed particular interest, the Philippines and the countries of Central America, areas where we do indeed have substantial programs.

Some have wondered why do we do this work? What business is it of the AFL-CIO to take an interest in places so far from home?

We respond, quite simply, because we believe that a free and democratic world would be a world at peace, as well as a more prosperous and pleasant place for all its peoples including, not least, our own. It is also important to note that we only go to countries where representative labor leaders have invited us, and requested our help.

Free trade unionists believe, as do you, that one of the fundamentals to democracy is the freedom of private groups peaceably to associate, and to express themselves collectively to those charged with the formulation of public policy in their respective societies. This is something the AFL-CIO knows a bit about. Labor's civic education and institution-building abroad is private work that serves the public interest. And in some places, we have seen the fruit of this labor commence to ripen.

A case in point is the Philippines. The great untold story of the democratic revolution now unfolding there, in fact, may be the major role that labor played in making it possible. Of course, I refer mainly to Filipino trade unionists. But, as in other troubled countries in the world, these are trade unionists who share our appreciation of democracy as the most consistent and reliable guardian of the rights of the working man and woman.

Since 1969, the AFL-CIO's Asian-American Free Labor Institute (AAFLI) has been working with Filipino democrats to strengthen the free trade union movement there. In 1984 and 1985, with additional funds made available through the National Endowment for Democracy, AAFLI was able to expand its program in the Philippines. Fortuitously for both our nations, it turns out to have happened at just the right time.

The results were probably most visible in the extraordinary mobilization of union members in the weeks before and in the critical days immediately after the February 7th presidential election.

Our principal partner there, the Trade Union Congress of the Philippines (TUCP), had in November launched registration and then get-out-the-vote drives, which included wide distribution of wall posters and newspaper and radio ads. The TUCP also organized many thousands of the individuals -- the unarmed foot-soldiers of the democratic revolution -- who staffed the poll-watching organization NAMFREL on election day to insure an orderly and fair balloting. Without endorsing a candidate, the TUCP helped render the election an accurate reflection of the wishes of the Filipino people.

While I have brought along copies of the TUCP's campaign materials for the information of the subcommittee, the important thing to be noted here today is that the TUCP and its affiliates did not win the loyalty and cooperation of so many Filipinos overnight or in the course of the election campaign. Rather, the TUCP has persuaded people to join by demonstrating that organized labor can help protect the interests of average citizens -- not least by providing useful services to members.

With the help of the AFL-CIO's Asian-American Free Labor Institute, the TUCP has in recent years launched and sustained these kinds of programs of a scope and variety that would never have been possible without funds from the National Endowment for Democracy.

1) "Social Awareness Seminars", conducted in cooperation with churches, at which local military officers and civilian political leaders were brought together with union leaders and community members to air grievances and become acquainted with one another.

2) A re-training program for unemployed sugar workers (in Negros). This not only provides basic instruction to farmers in how to grow crops on their own after losing jobs on the industrial sugar plantations -- but also provides seed capital to enable the new farmers to get started, when the only alternative historically has been loan sharks. The program aids workers particularly vulnerable to pressure from communist dominated unions.

3) Communications/publications. Worker groups have begun broadcasting programs on six radio stations in the country. With NED funds, AAFLI supports three newspapers and a union newsletter. With these media programs the TUCP has been able to offset the propaganda efforts of anti-democratic unionists.

4) Continuous training and retraining of union leaders and organizers in basic democratic concepts, including the nature of democratic political systems as well as in conventional union organizing and collective bargaining techniques.

5) Small enterprise loan programs (in Butuan and Davao cities) are also available to organized vendors, as well as other small farmers.

6) Producer and consumer cooperatives consolidate the marketing resources of rural and urban communities alike, in order to keep prices low and supplies of goods flowing. This program and the loan program have been particularly helpful to farmers in areas disrupted by the New Peoples Army.

7) Primary health care programs (in Cebu, Mindinao, Iloilo province and Negros Occidental) involves the dispatch of teams of nurse-practitioners to barrios and villages where workers' families had grown accustomed to infrequent or inadequate medical care. These nurses also communicate the value of democratic organization during the course of their work.

All of these activities have combined to bring Filipinos into both the economy and the community of democrats.

In the post-Marcos era that has now begun, a great deal of economic reorganization and social re-orientation is underway. Among other things, this means it is difficult at this juncture to predict precisely how union activities will evolve in the months ahead. We will learn more in two weeks when the General-Secretary of the TUCP, Ernesto Herrera, arrives in the U.S. Mr. Herrera was awarded the 1985 George Meany Human Rights Award by the AFL-CIO for his courageous work as a member of the Agrava Commission, which investigated the murder of Beningo Aquino and implicated General Fabian Ver and other military officers.

There is one gloomy note. With the imposition of the first round of cuts in the labor program, we have already begun to scale back our assistance to the Philippines. It could not happen at a worse time. The nurse practitioner health care program has already been reduced. In Davao, the revolving loan fund for small entrepreneurs has been frozen, even as demand multiplies. One of the regular union newsletters there is about to cease publication.

At precisely the moment when the Communist New People's Army is stepping up its political organizing activities in the rural Philippines, the best-organized democratic unionists are having their resources cut. This is more than dismaying; it is dangerous.

As much as one wishes the experience of the Philippines trade unions could be repeated elsewhere, one is obliged to note that -- while other nations in Central America have been moving forward toward freer, more liberal and democratic societies (Guatemala and Honduras deserve special praise) -- **Nicaragua** in the past year has continued to regress.

Through the AFL-CIO's **American Institute for Free Labor Development**, the AFL-CIO's Free Trade Union Institute is engaged with Endowment funds in three kinds of activity in Nicaragua. Our principal partner there is the **Confederation of Labor** Unification (CUS), an organization which has sought under both the Somoza and Sandinista regimes to organize and advance trade unionism in that country.

Along with the Central de Trabajadores de Nicaragua (CTN), the CUS is today the only union organization in Nicaragua not controlled by the government. These two small groups are now the last remnants of free trade unionism. We provide financial assistance to the CUS, in order to enable it to maintain its quarters and hopefully to continue publication of its newspaper, Solidaridad which has recently been suspended at the insistence of the Sandinistas. We also finance occasional travel by CUS leaders, to the U.S. and other countries, where bonds of solidarity with fellow democrats are strengthened.

We also have provided assistance up until now to another group that has peaceably but actively opposed undemocratic government actions under both Somoza and Sandinista rule, the

Nicaraguan Permanent Commission on Human Rights. Despite continuing harassment, its brave members continue to document and report instances of unjust detention, mistreatment, torture and the like by government authorities. The Commission's reports are distributed in Nicaragua and to the outside world, where international human rights monitoring bodies frequently include this material in their own reports. Recently, as a result of cuts in our own budget we have discontinued support to Unidad, the Commission's publication published in Costa Rica.

There are also a number of region-wide Central American activities funded by the Endowment. These include:

- Labor Watch. In 1985, the Inter-American Committee on Human and Labor Rights was created by Central and South American labor leaders to monitor, research and publicize violations of basic human rights throughout the hemisphere. The Committee has already conducted reviews of systemic rights violations in Chile, El Salvador, Guatemala, Haiti, Paraguay, Suriname -- and Nicaragua. Its activities are credited with having won the release from unjust imprisonment of trade union leaders in two countries. Recently, a report from the Committee on the arrest of 16 CUS members by the Sandinistas was the basis for a protest filed with the International Labor Organization by the International Confederation of Free Trade Unions.

- Exile assistance. We have helped families of exiled trade unionists from Nicaragua, Chile and Paraguay who have been blackballed for legitimate trade union activities and, in the case of Nicaragua forced into exile.

- Venezuelan training. In 1984 and 1985, more than eighty union leaders, (from Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Panama) have received civic awareness training at the Labor University of the Venezuelan Labor Confederation. This confederation, one of the most advanced in Latin America, has extensive experience in democratic political activity.

* Political education. Democratic labor confederations in Costa Rica, Guatemala, Honduras, Panama and the Dominican Republic have requested -- and received -- help in organizing broadly-focused seminars on the democratic process. This enabled trade union members to participate more effectively in the electoral process.

  In Honduras, for instance, this led to a series of meet-the-candidates activities, culminating in a large forum last autumn in which seven of nine candidates for president appeared to appeal for labor's support and to respond to questions.

  In Guatemala and the Dominican Republic, candidates have taken to meeting with labor representatives and audiences to explain their programs and appeal for electoral support.

* Libro Libre. This publishing house in Costa Rica has produced two dozen paperback books on social, economic and political developments in Central America since it was founded in 1984. Libro Libre now constitutes a network of labor leaders, human rights specialists, authors and philosophers. It conducts seminars and publishes works covering major strains in democratic thought. It also publishes a magazine reproducing articles on the state of political liberty and democracy in the world. Begun with labor support, it will be continued this year with a direct grant from NED.

In concluding this testimony, it would be a grievous oversight to omit mention of the effect of the current fiscal austerity on our efforts to sustain in the democratic cause people to whom we have made commitments. We in labor began a significant program in the spring of 1984, a program we had been planning since the fall of 1982 as participants in the Democracy Program study that recommended the Endowment's creation. We had been talking to our labor friends around the world for a year-and-a-half about our great hopes for this new program. Some of them -- in Poland, the Philippines, Chile and Nicaragua, to name only a few -- were greatly encouraged by the prospect.

Everyone involved in this program, including members of this subcommittee, must understand that it has not always been an easy thing for these trade unionists to associate with Americans. Some have had to defend their relationships with the American labor movement against internal opposition or competing unions, many of whom are both anti-American and anti-democratic. These same individuals -- our friends, who have committed themselves to American friendship -- must now face an uncertain future. They have taken political risks to work with us. They may face political consequences if we falter in helping them.

Mr. **Smith**. The new government also has declared that it is not bound to hold elections this spring for local governments as had been required by the constitution. They have also removed locally elected officials and appointed their own replacements. Violence has increased, and there are a lot of people who think that mainly what is going on is that power is being transferred from one wealthy group to another wealthy group. How are you going to handle this? Do you get involved in that?

Ms. **Kemble**. Well, I believe that the people that we are working with in these two unions feel great hope at this moment for the future of the Philippines. They believe that they have good communication ties with the Aquino government. They do not I think feel negative at this point.

I would say that the kinds of structures that have emerged out of co-ops and the servicing and the organizing centers, and all of these sorts of things that we have been able to help them establish around the country, will be in a position to make sure that those voices are heard at this point.

Mr. **Smith**. A part of your mission, of course, is to promote democratic institutions. Is a part of your program over there now to help to encourage them, to demand that they have the right to elect people that they want, and that the majority have a right to rule with guaranteed rights to the minority?

Ms. **Kemble**. Well, the unions with whom we work there want a democratic system. In terms of tactically how do they go about making those arguments, we are very careful to leave that to them. But we are assured that the people we are working with want that kind of a setup, and want to pursue it.

Mr. **Smith**. Now, you say you have $600,000 this year, and you had $1.2 million last year?

Ms. **Kemble**. Yes.

Mr. **Smith**. Do you have other funds going in there?

Ms. **Kemble**. We don't at this point, no, and as I said before, this program is being seriously cut. That is the way it looks right now.

Mr. **Smith**. What part of it is being cut?

Ms. **Kemble**. It is the loan programs, the cooperative programs, some of the things that are more fundamentally economic. We are looking right now very closely at the program to try to identify those parts of the program where we think the likelihood of finding other funds is greatest, and those are the ones that we are cutting first. We are sticking with those for whom clearly there are no other funds available.

Mr. **Smith**. Is your emphasis, then, on promoting free trade unionism or is it on establishing democratic institutions?

Ms. **Kemble**. I think we see them as one and the same.

Mr. **Smith**. All the same?

Ms. **Kemble**. Oh, yes. The basic point we adhere to is the understanding that freedom of association for unions is inherent to the democratic processes.

PROPOSED BUDGET INCREASE AND PREVIOUS FUNDING

Mr. SMITH. You have got a request for an increase this year. I believe that brings you to about what you would have had before the sequestration, right?

Mr. GERSHMAN. Yes.

Mr. SMITH. What would that be used for?

Mr. GERSHMAN. Mr. Chairman, let me say, in prefacing this, something about the history of the level of funding for the Endowment and what these funds represent for us. The $18 million level, which was approved for 1986, is the same level as for the startup year for the Endowment, which was really for a shortened year, since the legislation wasn't adopted until 3 months into the first year of the Endowment. That appropriation of $18 million for the first year was, in turn, some 60 percent of what was authorized for the Endowment.

So three years into the Endowment, now four years in, we are basically at the same level, which was startup, which was 60 percent of what was authorized. You can imagine, as we have existed now for this period of time, the Endowment is kind of a magnet which draws to it many, many creative and dedicated groups around the world. Our program capability now is vastly greater than it was in the beginning, and yet we are still operating at a budget level which is 60 percent of the original startup authorized level.

That said, we have tried to make do with what we have, which is why we try to keep our costs so low. This budget for 1987 represents roughly similar proportional outlays for the basic areas of the Endowment program in the areas of pluralism, education, culture and communications, and we have a lot of programs in the works already, many of which we haven't had time to discuss yet this morning, but it would be to supplement and continue and also add new programs.

It is very difficult to take new initiatives when you are operating at a steady budget level which was such a limited level to begin with. We have a budget submission here which we made which spells out how those funds would be allocated.

Mr. SMITH. Each one of these institutes, then, could have—you make the grants and obligate the entire amount within the fiscal year, but, as I understand, each institute may have some funds left over. You said you had some left over from 1984; is that correct?

Mr. SULLIVAN. We had held them up. We had targeted the amount in the Philippines process.

Mr. SMITH. You hadn't had an outlay?

Mr. SULLIVAN. We hadn't had an outlay, but obligated the funds and identified what the project is going to be. It sometimes takes longer, especially in a case like the Philippines where you have rapid change, to really get a project running where you have those tight controls where you know exactly what your outcomes are going to be. It is much more difficult overseas than it would be in the U.S., but particularly in cases like the Philippines.

Mr. SMITH. If you have a project, you have the funds up front?

Mr. **Sullivan**. That is right. We won't commit to a grantee we are going to carry out a project until we have got an approval from Mr. Gershman and the NED Board, that is right.

Mr. **Smith**. Is labor the same way? What kind of funds do you have that are obligated in previous years but don't have outlays?

Ms. **Kemble**. When this cut came through for the 1986 program a few weeks ago, we began taking a serious look at how much money we were going to have available and we are still, in fact, going through a major reprogramming process.

We do have some 1985 funds left. I might say that I don't think that is so unusual. Our three regional institutes have budget years that begin in January, for one of them, and April for two of them. Given that the appropriations process lags somewhat behind the fiscal year to start with, that seems the best way to plan. So it has turned out to be correct in this year when we are faced with this serious cut.

We are holding back on the expenditure of 1985 funds to try to draw them out as long as we can. Virtually all programs are being cut.

Mr. **Smith**. How solidly are they obligated?

Ms. **Kemble**. I am not sure I understand what you mean.

Mr. **Smith**. Are they obligated—you would be defaulting if you didn't——

Ms. **Kemble**. No, it is possible for us——

Mr. **Smith**. To change programs?

Ms. **Kemble** [continuing]. To change a program. If there are two programs and we believe that one of them is more important than another, we will talk to all the individuals involved and do some reallocation. I might say, though, that I really think there is an important point here. As we build up these relationships with unionists, it has to be understood many of them have gone out on a limb to develop a relationship with the AFL-CIO; they might be fighting people inside their union or their union may be competing with a union that is anti-American and anti-democratic.

When we get in the position of cutting back on these programs, it is important to realize that sometimes there is political catastrophe for some of the people we have dealt with which can have anti-American and anti-democratic consequences. That is how we proceed.

POLITICAL PARTY INSTITUTE FUNDING

Mr. **Smith**. Do the other institutes have money left over?

Mr. **Schuette**. The two political party institutes face the problem, after receiving our initial appropriation from fiscal year 1984 funds, of being prohibited from self-endowment funds in fiscal year 1985. For that reason we went through a process very much, as Ms. Kemble has described, of slowing down our expenditures, attempting to squeeze as much activity out of the original appropriation as we could. We are very pleased to be able to receive new funds this year.

The Republican Institute, I believe, has something on the order of $2,000 remaining from old fiscal year 1984 money which would be expended. I don't know about Brian's——

Mr. ATWOOD. We have virtually none. We are pleased to be eligible again for endowment money, and that money was just approved in January, so you can see we are already behind the fiscal year. I would expect by October, we will have fiscal 1986 money left over, given the lateness.

Mr. SMITH. What kind of projects do you have that you would like to have funded that you think are important?

Mr. ATWOOD. We have already gone to the National Endowment for Democracy Board, which has $8.1 million worth of projects approved. We are very excited about some of those projects.

Mr. Chairman, at the beginning of the hearing you asked—you indicated that there were a lot of your colleagues who didn't understand how the relationship works here, and I want to underscore one point, and that is the independence of our board and of the decisions we make. We make our own decisions about what projects we can get into based on requests that are made of us from parties and other groups around the world.

We then go to the National Endowment for Democracy Board and ask for those approvals. It works in that way. I think that is significant because when we do things, particularly with the Republican Institute, as we did in the Philippines, I think it is much more dramatic, it underscores the fact we are cooperating.

BIPARTISAN PROJECTS

Mr. SMITH. Are most of your projects bipartisan?

Mr. ATWOOD. We have, I think, three projects that are bipartisan we have requested funds for this year. And in many of our projects—for example, we just had a group in Chile talking to the parties that signed the National Accord down there, which is all of the democratic centers from across the spectrum.

It is very, very important as we get into a dicey situation in Chile where these parties have different ideas about tactics, when the Communist Party of Chile can appeal to 20 percent of the electorate at any given moment, and when it looks as though they are going to the streets for some peaceful demonstrations that the democratic center be strengthened, and one of our projects is to ask all of the signatories of the National Accord to come out of Chile for a conference with political party leaders who have been through this kind of transition in Spain, Argentina, Uruguay, and Venezuela.

We will obviously—even though this isn't a bipartisan project, we will invite the Republicans to come with us so we have the strongest possible representation from the United States and our two political parties.

Mr. SMITH. Why wouldn't it be a good idea for you to limit your projects to bipartisan projects?

Mr. ATWOOD. Because I think then you dilute the impact of these decisions that we do make to join together. There are many projects where we are involved where parties feel more comfortable working with one or the other or where we are working with a spectrum of parties in a country where the Democratic Party, for whatever reason, has had stronger relationships.

I give an example, and my Republican colleague may disagree with me on this, but I think the two major parties of Argentina feel very close to the Democratic Party as a result of the Carter Administration's human rights policies during the military regime. Those parties want to work with us, and we have a very interesting project, we are helping them strengthen their Congress. Their Congress is a weak institution, they recognize that, and would like our help in that process.

Mr. SMITH. How do you help them?

Mr. ATWOOD. A dozen of them are coming here, six from each party. Their Congress is patterned after our Congress. Legally they have the same authority vis-a-vis the Executive, and they are set up in the same way, bicameral legislature, et cetera.

But the electoral system is much different. They are elected on the basis of party, they are not elected by constituencies. As a consequence, they vote the party line down—I know a lot of people perhaps in the White House would like to see that with respect to the Senate, but we don't vote on a party line basis here, we vote on our conscience as members. They don't do that down there.

As a consequence of that, the minority party really has no say. The only thing they can do to get attention is to walk out, which has happened four times in the last year in Argentina.

Mr. SMITH. There are a lot of countries our government was modeled after.

Mr. ATWOOD. When the Congress of Argentina has bogged down in this procedural morass, that is when the military has taken over. They are concerned about it now. It is a new democracy, it is fragile, and they are trying as best they can to strengthen the institutions of that democracy.

Mr. SMITH. You are trying to help educate—that may not be the right word—the members of their legislature, they can go back and change the law?

Mr. ATWOOD. We want them to have the experience of seeing how our Congress works, to see whether or not there are ideas they can take away from the way our Congress operates. We want them to look at other alternative systems, because perhaps if they are going to have these two seemingly irreconcilable differences, where they have an electoral process that doesn't fit with their Congress, they ought to think about reform. They are thinking about reform, we are simply facilitating a broader discussion.

Mr. SMITH. Are there any other places where you are supporting newspapers?

CENTRAL AMERICA BOOK PROGRAM

Mr. GERSHMAN. This is the only area at this time. One of the important programs is in Central America, but it is not a newspaper, it is a book program.

Mr. SMITH. What kind of books?

Mr. GERSHMAN. It is called Libro Libre. It was initially funded by the Free Trade Union Institute. These are examples of some of the books. [Showed books.]

Mr. SMITH. Describe them briefly.

Mr. GERSHMAN. One is Democracy in Developing Countries, and another is Democracy, Development and How to Promote Democracy. This is a book of writings by Central Americans from all different countries, and what you have here is an effort to gather together the democratic intellectuals. There has been a rather significant increase over the past two decades, as they themselves have informed us, of books on Marxist oriented literature in the region, very little on books about democracy, and a group of intellectuals got together for this program.

It is a very inexpensive program given what is done. They have already published 29 books in just the short time we have been in existence, and they are now developing a distribution system in all six countries in the isthmus, including Panama.

Mr. SMITH. How do you determine which books will be exported?

Mr. GERSHMAN. We don't dictate to them the kinds of books—they indicate to us beforehand the kinds of books they want to publish. In their current proposal, in addition to publishing books of this kind on different themes, they have a series called Democracy Today, where they are going to be publishing classic works of democracy, some by Americans, Thomas Paine, Thomas Jefferson, there will be a book by Alexis de Tocqueville on democracy. They are publishing Simon Bolivar and Jose Martin, they are publishing the new class. This kind of literature cannot be had in Central America in Spanish, and they also hold seminars on these books involving some of the leading writers not only in Central America, but sometimes from around the world, to come for meetings, and it strengthens the whole democratic presence throughout the region.

Mr. SMITH. You see what our problem is. I don't need to tell you, because you have to live with it, too. All the time we are skating on thin ice. There are so many things that are so easily misunderstood. I am not saying you shouldn't do this, but somebody will pick out one paragraph in one of those books that should not have been there, and that will become a cause for abolishing this agency—or, not the agency, but abolishing these grants, especially when we have tight budgets. It can be a minute thing compared to the total program. But it is one of those things that I guess we have to live with.

Although this subcommittee has a history of being upheld on most items on the floor, we still have to get the majority approval on the floor. It is not impossible to be rolled, and we don't intend to have that happen if we can help it. We try to judge in advance what the floor will support us on and moderate to the extent we need to in that regard.

Do you think there are any changes in the law or changes in limitations or any way that we could help to guard against some of these things occurring that may be misunderstood?

Mr. RICHARDSON. If I may respond to that. First I want to say all of the boards of these enterprises are extremely grateful to this committee for exactly the thin ice you have been willing to skate on. My belief is, and my colleagues can speak for themselves, but I don't believe that our board would seek any changes in the legislation now in terms of additional restrictions or otherwise. The legislation seems to me to be entirely adequate to meet the needs of the

Congress and of the citizens for assurance that this enterprise is going to work properly, is going to work in the public interest, is going to work in the national interest and work for democracy around the world.

I believe the answer to our problem is time and education, Mr. Chairman. We do need to do a better job, all of us sitting here at this table, and our colleagues on the boards, of bringing the kind of stories to the attention of our colleagues on both sides of the Hill. I believe I see more and more people who are becoming aware this is a very solid enterprise, although admittedly there are times when things are done, as you say, a paragraph is picked up here or something else there that at first glance appears to be very questionable perhaps, and certainly there are mistakes that have been made.

But I think, as you say, when one gets acquainted with it, it is so obvious that in general and overall, what we are doing is performing an important function for this country. Everyone on our board, I assure you, feels strongly about that.

We thank you for the support you have given to the Endowment through these difficult first few years.

Mr. SMITH. It has really been difficult, I tell you that.

Mr. GERSHMAN. Is that an understatement?

Mr. SMITH. Yes. But you take, for example, this latest episode. I don't know if it is wise or not, but, for example, if you chose as a conduit—in this case, you chose him as a conduit, you could have chosen someone else, you could have chosen someone who, I guess, promised you that is all you would get in advance, they would not be engaged in some kind of a domestic political squabble. I don't know if that is feasible or not.

The law doesn't require that from what you have told us this morning. Apparently there have been no funds whatever that went into their other activities. But still it is so easily misunderstood, and it is so easy for someone to represent as if somehow they support this so they can engage in political activity. This is something you can do, I think, could you do this if you wanted to?

Mr. RICHARDSON. I think it would be difficult for us to do it for the following reason. Take, for example, the AFL-CIO Free Trade Institutes. They, I am sure, wouldn't take a cent from us if they were told as a result they couldn't take part in domestic political issues, and that is true of most private American organizations.

On the other hand, in the case that we are discussing this morning on Nicaragua, very, very promptly, before they took any public position, they notified us—they are responsible people—they notified the grantee, we discussed it, I should say, the board of the National Endowment for Democracy met and discussed this, acted on this issue and decided that further funds would not go to them for the reason that they were engaged in a particularly difficult issue for everybody. I think that is probably about the best you can do.

Mr. SMITH. Well, I am 20 minutes late for an appearance across the hall. We will have some more questions about your 1987 budget, but I think we will submit them for the record.

[The questions and answers submitted thereto follow:]

QUESTIONS SUBMITTED FOR THE RECORD BY MR. SMITH

PROGRAM OPERATION

3. What procedures for audit and oversight has the Endowment established for administering its grants to the institutes?

Each Institute is subject to the following audit and oversight procedures.

1. Each Institute must keep such records as may be reasonably necessary to fully disclose the amount and the disposition by the Grantee of the funds granted under the terms of the agreement, the total cost of the project or undertaking in connection with which such funds are given or used, and the nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

2. The accounts of each Institute are audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified licensed by a regulatory authority of a State or other political subdivision of the United States. Audits are conducted at the place or places where the accounts of the Institute are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Institute and necessary to facilitate the audits are made available to the person or persons conducting the audits; and full facilities for verifying transactions with any assets held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

3. The report of each Institute independent audit is provided to the Endowment. The audit report sets forth the scope of the audit and includes such statements as are necessary to present fairly the Grantee's assets and liabilities, surplus or deficit, with an analysis of the changes therein during the year, and a statement of the application of funds, together with the independent auditor's opinion of those statements.

4. The financial transactions of an Institute for each fiscal year are subject to audit by the General Accounting Office in accordance with such principles and procedures and under such rules and regulations as may be prescribed by the Comptroller General's of the United States. Any such audit is conducted at the place or places where accounts of the Grantee are normally kept. The representatives of the General Accounting Office have access to all books, accounts, records, reports, files and all other papers, things, or property belonging to or in use by the Grantee pertaining to its financial transactions and necessary to facilitate the audit; and they are afforded full facilities for verifying transactions with any assets held by depositories, fiscal agents and custodians.

5. The Endowment reserves the right to conduct or have conducted its own audit of each Institute's records in the exercise of its obligations under the Act and the USIA Grant.

6. Not later than November 30 of each year, each Institute must submit an annual report to the Endowment. The report shall include a comprehensive and detailed report of the Institute's operations, activities, financial condition, and accomplishments under the Act and may include such recommendations as the Institute deems appropriate.

7. The Board member(s) and officers of the Institute are available to testify (together with Board members and officers of the Endowment) before appropriate committees of the Congress with respect to the annual report, the report of any audit made by the Comptroller General pursuant to the Subsection 504(f) of the Act or any other matter which such committee may determine.

8. Each Institute must provide to the Endowment quarterly reports of programmatic and financial activity.

9. Each Institute must prepare an annual report of its program activity for submission to the Endowment in order that this report may be included in the Endowment's annual report to the President and Congress.

10. The Endowment consults with the Department of State on all overseas programs funded by NED prior to the commencement of the activities of that program.

11. Institutes must obtain prior written approval from the Endowment to reallocate funds between administrative and

program budget categories. Reallocations of funds that do not involve transfers between the administrative and program categories and exceed a fifteen percent increase or decrease in any one budget line item must be approved by the Endowment.

12. All Institutes develop evaluation criteria and procedures as appropriate to their own programs, goals and organizational structure. Project evaluations as part of the final programmatic reports. The Endowment uses these evaluations to determine if particular projects should be refunded.

4. Do the United States Information Agency and the General Accounting Office conduct financial audits and program audits of your activities and the activities and programs of the institutes?

As cited in both the Endowment's authorizing legislation and its grant agreement with USIA, the U. S. General Accounting Office and USIA each have audit rights over NED. In fact, the General Accounting Office is currently in the process of completing a year-long program and financial audit of the Endowment. In addition, USIA plans to begin its own financial audit of Endowment operations and programs later this month. Of course, the Endowment also contracts each year with an independent certified accounting firm for an audit which is contained in the NED Annual Report to the Congress.

6. The conference report on the FY 1986 Appropriation Act specified that no grantee of the National Endowment for Democracy should receive more than 25% of the total amount made available for FY 1986. What will be the impact of that limitation on the Endowment's programs and the activities of the institutes?

Testimony prepared for presentation by Eugenia Kemble, Free Trade Union Institute, Executive Director, to the House Appropriations Subcommittee on Commerce, State, Justice, April 9, 1986, is devoted almost entirely to a discussion of the cap's impact on labor programs.

It is attached.

Testimony of Eugenia Kemble, Executive Director
Free Trade Union Institute, AFL-CIO
before the Commerce, State, Justice Subcommittee
of the House Appropriations Committee
U.S. House of Representatives

April 9, 1986

Thank you, Mr. Chairman, for the opportunity to appear before this subcommittee again so soon. You will recall I was here on March 24, when you convened a hearing to review programs funded by the National Endowment for Democracy in the Philippines and Central America. At that time, I spoke of the active and continuing interest of the AFL-CIO in promoting and strengthening democratic institutions, especially trade unions, abroad -- work which has been expanded in significant ways since creation of the National Endowment for Democracy.

The AFL-CIO's Free Trade Union Institute is, as you know, the largest single grantee of the Endowment, and in turn provides funds to programs in over 50 countries. They are administered either by us or one of the three regional institutes of the AFL-CIO -- the Asian American Free Labor Institute, the African American Labor Center or the American Institute for Free Labor Development, which works in this hemisphere.

Together, we are engaged in civic education and democratic development activities around the world and have been for many years. We work principally with trade unionists in other countries, helping them in a variety of ways as they request. We also work with other kinds of organizations; our only hard and fast requirement is that the people with whom we work be democrats committed to building free societies.

As I said here two weeks ago, the AFL-CIO and the many friends of the United States with whom we are able to work thanks to support provided through the Endowment, are grateful for the support shown by this subcommittee for our work. In order that it be as clear as possible to interested members of the Congress what we do with the money that is appropriated, I would like to take this opportunity to respond to a question that was asked of us by this subcommittee shortly after that March 24 hearing, in written questions supplied by the subcommittee staff.

Included in a series of rather finely tuned questions about particular programs and procedures of the Endowment was one question whose importance simply dwarfed that of all the rest. It touches on every aspect of our work and I would like to reply to it today. Under a subsection entitled "program operation" is the following:

> ...6. The conference report on the FY 1986 Appropriation Act specified that no grantee of the National Endowment for Democracy should receive more than 25 percent of the total amount made available for FY 1986. What will be the impact of that limitation on the Endowment's programs and the activities of the institutes?

This is the "25 Percent Cap". Let there be no mistake about it; the cap affects only one grantee of the Endowment: the Free Trade Union Institute. We are the only organization that has ever received more than 25% of the Endowment's funds in any year.

In the current fiscal year, because of this statutory restriction, we are scheduled to receive almost exactly 25% of the funds expended.

'What will be the impact?'

Well, it has meant, in short, a cut in funding of 68% in the current fiscal year! In FY 1984, the Free Trade Union Institute applied for, and was awarded, grants totalling $11 million. In FY 1985, FTUI was awarded grants totalling $13.8 million. (By the way, that $13.8 million figure was calculated by USIA and the AFL-CIO as what it would take to support a labor democracy-building program back in 1982, before the Endowment was even created).

In the current fiscal year, however, which for most intents and purposes began just last month, the 25% cap means that the maximum amount that may be awarded to our institute is $4.3 million.

'What will be the impact?'

Commitments reluctantly broken; friends of America labor and indeed, the United States itself cast adrift, in sometimes treacherous waters; American influence abroad diminished; rational program judgement set aside.

I would like to make clear that we do not expect to regain our former dollar commitment from the Endowment in the immediate future. We are well aware of the financial constraints on the Congress, and we are supportive of others developing the kind of expertise in this field that we have had for years. We are not asking for the reestablishment of any earmark committing the Endowment to give labor a set proportion of its budget. It would not be our intention to ask for a proportion as high as what it has been in the first two years.

But, the same sound argument that was used to abolish that earmark -- that the Endowment Board should have discretion in judging programs on their merits -- should still apply. We believe our programs should be allowed to compete freely for grant awards without artificial restrictions.

There is another point to consider here. What this restriction means is that while the Endowment is out looking for _new_ programs, our _ongoing_ programs are being cut. This simply doesn't make sense. While we are forced to slash tested programs and break existing commitments, the Endowment is looking around for new endeavors.

It must be noted that the impact of the cut has been somewhat cushioned by the fact that the Endowment has been obliged by the Congressional calendar to wait until 3, 4 and 5 months into each fiscal year before making the first grants financed by that year's appropriation. Because programs begin late in each year, funding is generally not expended completely until the next year or later. Moreover, the uncertainty that has accompanied each year's Congressional deliberations about the Endowment has obliged grant recipients to treat each grant as if it might be the last. So grant recipients -- labor is no different than other grantees in this respect -- have stretched the use of those funds into subsequent years. This means that at the present moment, there are funds appropriated in FY '85 that are still being spent. The Endowment Board, having only last month made the first awards of FY '86 funds (in the sixth month of the fiscal year) it could not be otherwise. This is a normal delay in the expenditure of federal funds.

But we have already begun telling our friends around the world -- in the Philippines, in Chile, in South Africa, in Poland, in Central America -- that the promise of the Endowment may have been greater than its ability to deliver. People and leaders in difficult circumstances, who have taken the risk of close public identification with Americans, are now realizing that they may be left on their own.

The details of how our financial commitments will be reapportioned are now being worked out, but the shape of our future program is coming steadily coming into focus. Yesterday, our Asian affiliate announced that it would begin a program of lay-offs and furloughs of staff -- the same personnel who are needed to assure that the program is "accountable".

The cutback of 68% in the funds available to labor will mean at least the following abroad:

Latin America

* Refugee assistance to trade union leaders and their families -- forced into exile from their homes in Nicaragua, Paraguay, and elsewhere in the hemisphere -- has been curtailed and will terminate shortly.

* Financial support to the Permanent Commission on Human Rights in Nicaragua, a courageous and beleaguered organization of individuals who have monitored,

confirmed and reported to the world on the status of human rights in Nicaragua through both the Somoza and Sandinista regimes, has been ended.

- In Chile, where trade unions are part of a broad-based democratic movement struggling with the Pinochet dictatorship, AIFLD has been obliged to reduce the scope of organizing operations by closing regional offices, and cancelling training seminars.

- Several regional training and education programs for young union leaders in Central America, administered in cooperation with the Venezuelan trade union federation, have been vastly reduced in scope.

- Labor Watch, a program launched in 1985 according to which trade unionists in countries throughout the hemisphere would report to a central data base on instances of political repression and human rights problems affecting democratic trade unionists, is being halved (from a budget of $136,000 to $65,000). This means there will be fewer voices able to speak out effectively in international councils about deprivations of basic human rights in the Americas.

ASIA

- In the Philippines, support for various programs of the Trade Union Congress of the Philippines, which has played a vital role in the democratic revolution now unfolding there, has been reduced from $2.3 million in FY 1984, to $1.3 million in FY '85 -- and is currently being scaled down further, to accommodate a budget of only $600,000 in FY '86.

  In practical terms, this means that support for union-managed credit cooperatives has been halved. An innovative membership service program involving the deployment of nurse practitioners to rural communities where Communist influence is strongest and health care most minimal, a program in which the nurse practitioners also provide education on democratic principles and trade union policies is being reduced because of an inability to pay the nurses.

Moreover, in the face of such massive funding cutbacks, labor institutes are generally unable to follow up fully on new requests for urgently needed assistance. In places like Haiti, for example, where a dictator has recently been removed from power and people, including the few organized trade unionists there, are currently engaged in the political and economic reorganization of a troubled society -- we have only started a minimal program. This is precisely the kind of place where the Endowment should, we believe, be engaged in supporting the strengthening of democratic institutions. Yet we will be unable to build a program of consequence there if the cap remains in effect.

In Uruguay the cap presents another kind of dilemma. A civilian government regained control from the military there in 1985. The two principal political parties are now interested in developing programs that would appeal to union members, whom the parties would like to integrate into the constitutional political process. We have had discussions with the National Democratic Institute and the National Republican Institute about the possibility of cooperating in a program to meet this need. Among the difficulties we face is the prospect that the American Institute for Free Labor Development, the AFL-CIO's regional institute in Latin America, would be unable to receive funds from the Endowment for such work -- because of the 25% cap.

I respectfully submit that this restriction is unwarranted -- and worse, it is harmful, in ways I have described. I would urge that this subcommittee and the House of Representatives examine in greater detail the effect of this restriction, and reconsider it. We of the AFL-CIO would like to see the restriction removed.

For the further information of the subcommittee, I have appended to this testimony a 12-page summary of the programs funded by Endowment grants made to the Free Trade Union Institute in the last fiscal year. Virtually all of these programs will share the burden of the 68% cut that has been imposed on labor's work in democratic development.

I would be pleased to respond to questions.

Grant to Prodemca

1. How much was the grant to the organization called Friends of the Democratic Center in Central America (Prodemca) in FY 1986 and how much has been granted to that organization in prior fiscal years? What was the purpose of the grants to Prodemca and what restrictions, if any, were on the use of these funds?

The National Endowment for Democracy has made three grants to Prodemca for programs providing assistance to groups working peacefully on behalf of democracy in Nicaragua: 1) A FY 1985 grant of $100,000 to help La Prensa, the only independent daily newspaper in Nicaragua, with supplies essential for its continued publication. 2) A FY 1985 grant of $200,000, which included $150,000 for the establishment of a Nicaraguan Center for Democratic Studies, and $50,000 to assist in translating, printing and distributing the reports of the Nicaraguan Permanent Commission on Human Rights. 3) A FY 1986 grant of $51,500 to help meet La Prensa's continuing need for essential supplies. Like all NED grant agreements, those with Prodemca limit expenditure of NED funds to the particular purposes of the grant and contain the standard prohibitions, restrictions and reporting requirements. Copies of the relevant grant agreements are attached.

2. How much of the grant to Prodemca was used for its administrative overhead, and is this amount generally consistent with the amounts for administrative overhead of other grantees?

The Endowment has made great efforts to keep the administrative costs of its grants as low as possible. It does not pay a fixed overhead rate except in the case of the three required AFL-CIO institutes (AIFLD, AALC and AAFLI), where NED must match the AID-approved overhead rate, which ranges from 19 to 21 percent. With this exception, NED pays only direct administration costs. For the Center for International Private Enterprise, the National Democratic Institute for International Affairs and the National Republican Institute for International Affairs, which were expressly created in order to carry out NED-funded programs, an overall administrative budget is provided. For all other grantees, the Endowment generally seeks to keep administrative costs in the range of 10 to 12 percent, though higher or lower rates may be called for depending on the character of individual projects.

Of the FY 1986 grant of $51,500 for La Prensa, $1,500 was allotted to Prodemca's administrative costs; of the FY 1985 grant of $100,000 for La Prensa, $7,000 went for Prodemca's administrative costs. These represent lower than usual administrative cost rates for NED projects. Of the FY 1985 grant of $200,000, which included $150,000 for the Democratic Studies Center and $50,000 for the Permanent Commission on Human

Rights, Prodemca was allotted administrative costs of $25,000 and $6,000 respectively. The higher than usual administrative cost rate for the Democratic Studies Center reflected NED staff concern that this potentially difficult project would require especially careful monitoring and supervision. On average, the administrative cost rates for Prodemca are quite consistent with those of other grantees.

3. Officials of Prodemca have indicated that the ads that appeared in American newspapers urging Congress to support the President's request for aid to the Contras were not purchased with money from the Endowment. If so, what was the source of funds for those ads?

An examination by Endowment staff has confirmed that our funds were not used to purchase Prodemca's newspaper ads in support of the Contras. Further confirmation of this point should be provided by a USIA audit of the Endowment's grants to Prodemca that is currently in progress. The Endowment is not in a position, however, to provide information about the funding for activities not directly related to Endowment-supported projects.

ACTIVITIES IN CENTRAL AMERICA

1. Please list for the record each of your grants for programs in Central America for FY 1986, including the purpose and amount of each.

Following are the grants for programs approved to date in FY 1986 by the Board of Directors of the National Endowment for Democracy, pending the successful negotiation of grant agreements.

- CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE

  - Mexico, to assist the activities of the Center for Economic and Education Studies (CEEE), an independent, nonprofit, nonpartisan institute based in Monterrey.

    $59,190

  - To support a second year of activity of the Latin American Institute for Organization Management.

    $219,375

- FREE TRADE UNION INSTITUTE

  - A Regional Exchange Program between Latin American and Caribbean trade unionists and leading U.S. labor, political and business leaders to discuss specific inter-American political, social and economic problems and disseminate findings and conclusions.

    $140,000

- The AFL-CIO/Inter-American Regional Organization of Workers (ORIT) will conduct one-week national seminars for 30-40 unionists in El Salvador, Honduras, Guatemala, Costa Rica, Nicaragua and Panama (as well as the Dominican Republic, Colombia, Ecuador, Peru, Chile, Argentina and Brazil) for the purpose of affording the national democratic confederations an opportunity to develop national policy recommendations on economic issues.

$168,500

- FRIENDS OF THE DEMOCRATIC CENTER IN CENTRAL AMERICA (PRODEMCA) for first portion of FY86 support to the independent Nicaraguan newspaper La Prensa through the purchase of desperately needed printing supplies without which the paper would have been forced to stop publication.

PRODEMCA	$51,500
U.S. GRANTEE TO BE DETERMINED	$48,500

- FREEDOM HOUSE, to assist Libro Libre, a private, non-profit association of distinguished Central Americans established in Costa Rica, to publish and distribute books and a monthly magazine throughout Central America.

$330,000

- NATIONAL REPUBLICAN INSTITUTE FOR INTERNATIONAL AFFAIRS

- Costa Rica, to work with the Association for the Defense of Costa Rican Liberty and Democracy in San Jose.

  $10,000

- To assist in the continued development of the organizational structure and training and research programs of the Democrat Union of the Americas, a Hemispheric organization of moderate and conservative parties.

  $190,000

- Guatemala, to develop programs with Guatemalan research and advocacy institutions.

  $10,000

- Nicaragua, to develop with USG officials and leaders of the Conservative Party and Coordinadora, the appropriate structure and instruments to assist in education projects.

  $85,000

- To sponsor a Political Activist Training Program for key political activists from the Western Hemisphere.

  $125,000

- To hold a Conference on the Totalitarian Threat to Democracy (II) with prominent scholars from public policy research institutes, government officials and international experts involved in democratic development projects from Latin America, Europe and the U.S.

$125,000

- Universities for Freedom, to establish a network of like-minded academic and public policy institutions in the Hemisphere to develop more effective academic support programs on behalf of democratic values.

$125,000

- ROOSEVELT CENTER FOR AMERICAN POLICY STUDIES, to assist the Asociacion de Investigacion y Estudios Sociales (ASIES), a Guatemalan organization devoted to research, discussion and analysis of political issues, in sponsoring a "Seminar on National Reality."

$14,308

- YMCA OF THE USA - INTERNATIONAL DIVISION, to conduct Youth Civic Development Projects in Panama and Costa Rica.

$94,500

2. Please list for the record each of your grants for programs in Central America during FY 1985 and FY 1984, including the purpose and the amount of each.

Following is a list of grants for programs in Central America during FY 1985.

- CARIBBEAN/CENTRAL AMERICAN ACTION, (CCAA), to administer two projects to be conducted by the Centro de Estudios Politicos (CEDEP) in conjunction with the Guatemalan elections held November 3, 1985.

  $152,450

- CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE PROGRAMS

  - PAN AMERICAN DEVELOPMENT FOUNDATION, (PADF), to analyze the informal business sector in five Central American countries leading to a conference of Central American development organizations. This is a follow-on to a 1984 program focused on Nicaragua.

    $56,100

  - CAMARA DE LA LIBRE EMPRESA, Guatemala, to present a three day course to Guatemalan and Salvadoran business community leaders, entitled "Understanding Politics," designed to encourage the development of active business participation in the political process.

    $40,280

- ACCION INTERNATIONAL, Washington, D.C., to produce an audiovisual presentation that explores means of promoting the integration of the informal business sector in Latin America into the formal economies of the region. Based, in part, on the ILD and PADF programs.

  $30,740

- INTERNATIONAL ORGANIZATIONS OF EMPLOYERS, to conduct a conference of Central American employers' organizations to identify shared issues and problems and possible solutions.

  $53,510

- FREE TRADE UNION INSTITUTE PROGRAMS $3,937,605

- COSTA RICA, sponsorship of a conference on "Democracy, Peace and Central America" with participation of leading civic, labor and government figures from the region.

  $75,000

- EXILE ASSISTANCE, traditional labor support for embattled and exiled democratic trade union leaders. Focused primarily in Central America and Chile, the program includes medical assistance, loans, subsistence aid for families.

  $30,000

- GUATEMALA, support for civic and electoral education for the Confederation de Unidad Sindical de Guatemala (CUSG)

  $100,000

- INTERNATIONAL TRADE SECRETARIAT PROGRAM, to provide secretariats resources to support their country affiliates in civic, educational and trade union rights activities. Money from this program is contributed through individual U.S. trade unions to seven democratic ITS (postal, transport, clerical and technical, textile, chemical, public services, and teachers). Funds are used for conferences, exchanges, publications dealing with democratic rights and values, human rights manuals and education programs and training of nonpartisan educators and activists.

  $410,000

- LIBRO LIBRE, support for a major book and pamphlet publishing and distribution program, based in Costa Rica. The effort focuses on literature distribution aimed at trade union leaders, the promotion of democratic and pluralist values through conferences and seminars, and on the relationship between government and society.

  $80,000

- LABOR WATCH PROGRAM, a new organization headed by prominent Latin American labor leaders to collect factual information on human and trade union rights violations within the hemisphere.

$ 65,000

- MEXICO, funds for the Confederacion de Trabajadores Mexicanos for grassroots democratic education programs for union activists, including eight week-long national seminars involving hundreds of union activists.

$100,000

- NICARAGUA, a program to support democratic Nicaraguan trade union federations resisting government control and repression.

$60,000

- REGIONAL CIVIC EDUCATION MATERIALS, a major regionwide educational project to develop and print manuals on the role of trade unions in the democratic and political process. Project also identifies existing pro-democratic materials to use for training courses and disseminates such materials.

$82,000

- REGIONWIDE COURSES ON DEMOCRATIC POLITICAL THEORY, support to maintain a team of lecturers with expertise in democratic political theory and labor economics.

$150,000

- REGIONWIDE POLITICAL EDUCATION COMMITTEES AND ORGANIZING PROGRAMS, support for organizing efforts in the region allocated to specific countries on the basis of need with emphasis on Costa Rica, Guatemala and El Salvador.

$745,000

- FRIENDS OF THE DEMOCRATIC CENTER IN CENTRAL AMERICA, (PRODEMCA), to assist the independent Nicaraguan newspaper La Prensa through the purchase of desperately needed printing supplies without which the paper would have been forced to stop publication.

$100,000

- FRIENDS OF THE DEMOCRATIC CENTER IN CENTRAL AMERICA, (PRODEMCA), to assist the establishment of a private nonpartisan center devoted to the study and discussion of democratic ideas and their potential application in Nicaragua, and to assist in translating, publishing and distributing documents concerning the human rights situation in Nicaragua.

$200,000

Following is a list of grants for programs in Central America during FY 1984.

- CARIBBEAN/CENTRAL AMERICAN ACTION, (CCAA), to support the work of the Centro de Estudios Politicos (CEDEP), a nonpartisan center for political studies in Guatemala City, Guatemala established by a group of Guatemalan professionals and businessmen to provide a neutral forum for discussion among politicians and emerging political groups.

  $127,500

- CENTER FOR INTERNATIONAL PRIVATE ENTERPRISE

  - CENTRO DE ESTUDIOS EN ECONOMICA Y EDUCACION, A.C., (CEEE), to foster a public forum to promote the potential role of private enterprise in the economic development of Mexico through seminars; providing editorials to enhance public support for free market policies; and improve research and publishing capabilities.

    $33,000

  - to develop EMPRESSA, a Spanish-language education program that teaches the basics of private enterprise, focusing on the role of enterprise in society and how aspiring entrepreneurs can start their own businesses. The first program grant was awarded to COPARMEX, the leading independent business association in Mexico, and kits were donated to organizations in Costa Rica, El Salvador, Honduras, Nicaragua, Mexico, Panama to assess its use in their respective organizations and subsequently design educational outreach programs.

$50,500

- INSTITUTES FOR ORGANIZATION MANAGEMENT, to inaugurate a Latin American Institute based in Costa Rica to train staff executives of business organizations.

  $206,000

- PAN AMERICAN DEVELOPMENT FOUNDATION, (PADF), to undertake a survey and analysis of current economic and political forces in Nicaragua and their impact on the private business sector as represented by the informal economy.

  $45,000

- to conduct a feasibility study, with a concentration on Latin America and the Caribbean, to define developing country attitudes toward private enterprise and the subsequent design of curriculum development activities that will support private enterprise.

  $30,500

- FREE TRADE UNION INSTITUTE

  - COSTA RICA, to support "Libro Libre," a broad program of research and publications, including a history of the Miskito Indians of Nicaragua.

    $483,050

- GUATEMALA, to enable the trade union activists from the Confederacion de Unidad Sindical de Guatemala (CUSG) to travel throughout the country, explaining procedures and encouraging voter turnout for the elections to the Constituent Assembly.

$39,840

- to develop trade union materials and education programs for Central American labor leaders with the assistance of the Confederacion de Trabajadores Venezolanas of Venezuela.

$244,400

- to assist in establishing political action committees in COSTA RICA, HONDURAS and EL SALVADOR and elsewhere in Latin America.

$494,000

- LABOR WATCH PROGRAM, an organization headed by prominent Latin American labor leaders to collect factual information on human and trade union rights violations within the hemisphere.

$136,000

- Support to EXILED TRADE UNION LEADERS and their families for medical assistance, loans and subsistence.

$80,000

- NICARAGUA, a program to support democratic Nicaraguan trade union federations resisting government control and repression.	$143,800
- PANAMA, to conduct a number of seminars on electoral processes with the Confederacion de Trabajadores de la Republica de Panama (CTRP).	$40,000
- REGIONAL CIVIC EDUCATION MATERIALS, a major regionwide educational project to develop and print manuals on the role of trade unions in the democratic and political process. Project also identifies existing pro-democratic materials to use for training courses and disseminates such materials.	$107,300
- REGIONWIDE EXCHANGES, for Latin unionists to learn techniques of political and electoral action and the building of union structures, and for American trade unionists to acquire a heightened understanding of the political complexities of the region and of how anti-democratic elements operate in the region.	$154,360

- REGIONWIDE COURSES ON DEMOCRATIC POLITICAL THEORY, support for a regional program of education in democratic political theory and labor economics for union members.

  $265,000

- REGIONWIDE POLITICAL ORGANIZING PROGRAMS, support for organizing efforts in the region allocated to specific countries on the basis of need with emphasis on Costa Rica, Guatemala and El Salvador.

  $495,000

- NATIONAL REPUBLICAN INSTITUTE FOR INTERNATIONAL AFFAIRS

  - CENTER FOR INTERNATIONAL RELATIONS, to host a conference in San Jose, Costa Rica on "Basic Freedoms in the Western Hemisphere" to strengthen ties among like-minded public policy institutions in the Western Hemisphere.

    $64,944

  - CONFERENCE ON THE TOTALITARIAN THREAT TO DEMOCRACY (I), a forum for public policy research institute scholars, political leaders, key players in the business and religious community, journalists and administration officials from the U.S., Latin

America, the Caribbean and Europe, to discuss practical political strategies to counter efforts to destabilize democratic institutions throughout the world. Four of the nine workshops analyzed the development or failure of democracy in Nicaragua, Portugal, Chile and Grenada.

$70,037

- GUATEMALA, to conduct a national opinion poll of potential voters to participate in the Presidential elections in November, 1985.

$79,541

- The YMCA OF THE USA INTERNATIONAL DIVISION, to establish a training program in political leadership and the political process for Panamanian youth in cooperation with the YMCA of the Republic of Panama.

$41,500

Activities in Central America

3. What are your planned activities for Central America for FY 1987, and how much of the program increase of $1,355,000 that you have requested for fiscal year 1987 would be allocated to programs for Central America?

The proposed budget for fiscal year 1987 is based on estimated needs and opportunities in Central America and takes into consideration both regional program potential, including on-going programs and expected or possible new initiatives. It is the policy of the Endowment to fund requests which respond to the expressed needs of those the program is intended to assist. Because the Endowment is unable to predetermine the nature and quality of the proposals which will be submitted, specific funding levels for particular programs in FY 1987 must be flexible. For programs funded by the Endowment, in FY 1985 or 1986, a FY 1987 renewal of funding must also take into account performance under grants which may not yet be completed.

Some examples of programs likely to be funded in FY 1987 are presented below.

Regional

Libre Libro: Freedom House continued assistance to Libro Libre, a private, non-profit association of distinguished Central

Americans established in Costa Rica, to publish and distribute books and a monthly magazine and to hold seminars on topics related to those books throughout Central America. (Countries: Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama).

$330,000 has been approved so far for FY 1986, far less than is needed for the program. Freedom House and Libro Libre are undertaking a major effort to raise other private funds and the level of FY 1987 NED funding will depend partly on the success of that effort.

Youth Civic Development Projects: Support for the expansion of NED funded projects in Panama and Costa Rica to foster the growth of democratic development in those countries through in-country YMCA democratic training programs focused on rural and urban youths. The Panama program for FY 1986 is a continuation of a 1985 program and Costa Rica is new in 1986. If the program continues to be the success it was in 1985, it is possible the Costa Rica program will be expanded for FY 1987, as well as continuing the FY 1986 expanded Panama program. (These programs together would likely run in the $100,000 range).

El Salvador

Multi-Media Civic Education Program: Discussions are underway with non-partisan groups in El Salvador for development and implementation of a multi-media civic education program to reach all levels of the population. Cooperation in development of the educational materials by diverse entities within the private sector would also allow development of the project to serve as a focal point for discussing issues related to the strengthening of democracy.

Guatemala

Support for Emerging Democratic Institutions in Guatemala: Continuation of support to non-partisan, private institutions promoting dialogue among politicians and emerging political groups as well as strengthening the emerging democratic institutions of Guatemala, and civic education for the population at large, including radio broadcasts in Spanish and the indian languages.

Nicaragua

La Prensa: Continued support for Nicaragua's only independent newspaper may be considered for FY 1987 depending on the need and whether La Prensa makes a further request to the Endowment. Assistance in FY 1985 and FY 1986 involved providing printing and other supplies because of Sandinista government-imposed foreign currency restrictions. Any FY 1987 support would be of the same nature.

Support for the Democratic Center in Nicaragua: Continued support for the work of non-partisan activities involving the study and discussion of democratic ideas, and assistance for the translating, publishing and distribution of documents concerning the human rights situation in Nicaragua. The Endowment will try to be responsive to any FY 1987 request to continue support, but it is too early to determine what specific program support might be requested in light of the continuously changing situation in Nicaragua.

NRIIA PROGRAMS

Planned FY 1987 program activity in Central America will be built on current FY 1986 work in the region. The three major Central American programs -- Costa Rica, Guatemala and Nicaragua -- are programs which have as their goal the creation and stabilization of a series of institutions which serve important support roles in the democratic process. While it is conceivable that the NRIIA might undertake new programs in Central America in FY 1987, at present, new funds would be used for expansion of these three programs should they prove successful in the coming year.

More specifically these programs are:

Nicaragua: The NRIIA is seeking to strengthen internal democratic forces in Nicaragua by assisting an alternate educational institution (Instituto Conservador) which teaches basic management and administrative skills, provide non-ideological language training, expose the students to democratic theory, and provide an opportunity to practice in a non-politicized learning environment free inquiry into social and political questions. In effect this Institute will provide supplementary educational opportunities for Nicaraguan youth.

It is a small program reaching perhaps three hundred young men and women studying bookkeeping, English, management techniques, and other sources including democratic theory and practice.

Costa Rica: The NRIIA is assisting an independent research foundation in Costa Rica called the Association for the Defense of Democracy. The Association is a public policy advocacy organization which seeks to make policy members of the Costa Rican National Assembly. In addition, the Association will provide informal staff support for members of the Assembly on matters of economic policy, and issues related to plans for the convening of a Constitutional Assembly within the next two years. The Association also plans a series of public opinion surveys on economic policy and Costa Rican foreign policy.

Guatemala: Prior to the Presidential elections on December 4, 1985, the NRIIA conducted an extensive program in Guatemala designed to expand the franchise and electoral participation.

This work was strictly non-partisan, and intended to aid the nascent democracy by broadening the popular consensus for elections. This program featured, in particular, the first national survey of public opinion conducted in part in the native Indian languages -- this in support of the Supreme Electoral Tribunal. Featured, too, were television and radio presentations, prepared in cooperation with local civic organizations, which explained the mechanism and importance of voting, both in Spanish and Indian languages.

The NRIIA expects to continue the theme of this work in the current fiscal year by engaging additional private civic organizations in the advocacy of democratic practice. The Institute will continue to share the technologies of research and mass communication with such groups. In addition, the NRIIA holds that the success of democratic government in Guatemala is supported by pluralism and innovation in the public discourse on national policy. Therefore, the Institute will seek to provide selected organizations engaged in public policy research with access to resources and expertise as a means of enhancing those qualities of the policy marketplace.

CIPE PROGRAMS

Regional:

The Center for Leadership Development: The Center for Leadership Development will continue to train Latin American business association executives in Spanish in techniques for communications, membership development, government relations, public education and analysis of community needs. This program will consist of the first and second years of instruction, as offered in 1986, and the addition of a more advanced third year curriculum for selected participants from the first two years. In 1985, the Center for Leadership Development (CLD) of the U.S. Chamber of Commerce trained 30 business association executives from 15 countries on the campus of the Central American Institute for Business Administration (INCAE) in San Jose, Costa Rica; in 1986, 60 executives are to be trained and in 1987, 90 participants will be trained. The skills can be adapted and used daily in the development and improvement of voluntary representative business association as effective advocates of private enterprise principles. Participants will include chamber and association managers from Costa Rica, Guatemala, El Salvador, Panama, Honduras and Nicaragua. Amount: $150,400

Tentative Projects

The projects designed below are in the design stages.

Additional projects will be considered for funding by CIPE as proposals are received from local Central American business associations:

a. Courses in economics will be offered for journalists, to redress their lack of sound economic knowledge through training in economic theory, free enterprise principles, and their application to current circumstances in the country. This will improve the ability of a core group to disseminate credible economic information and reach a larger general public with a free enterprise message. Potential recipients: Panama - Chamber of Commerce and Industry. Amount: $40,000.

b. The Central American Institute of Business Administration will prepare and publish illustrative "case studies" on business-government relations activities in Central and South America, for use by chambers of commerce and trade association in the region. Throughout Latin America, there is a lack of information on how local business organizations influence public and economic policies, directly or indirectly. While the private sector in Latin America has generally been unable to effectively articulate and promote its role in development, in some countries, business organizations have been successful in influencing policy, through the development of public interest groups, through promotional campaigns, or through direct government advocacy and lobbying. While North American experiences can serve as models for the adaptation of such techniques to Latin America, documentation of how those techniques have already been applied in the region will serve to highlight the viability and value of private sector participation in public policy processes. These case studies can be disseminated through private business schools and universities in Latin America, and used as instructional materials for the Institutes for Organizational Management, conducted yearly for international participants by CIPE and the Center for Leadership Development (CLD) of the U.S. Chamber of Commerce. Proposed recipients: Central American Institute for Business Administration. Amount: $25,000.

4. On Page 5 of the budget justifications you indicate that the Free Trade Union Institute has a number of projects under way with Latin American unions involving training and materials on conducting union business using democratic procedures. Could you elaborate on those activities?

As we have indicated in our quarterly reports to the NED, in evaluations, and in our proposals for fiscal years 1984 and 1985, the "training and materials program" developed by the American Institute for Free Labor Development (AIFLD) seeks to promote democratic values and develop materials on key issues for democracy in Latin America and the Caribbean.

The program has thus far led to the preparation of English and Spanish-language educational manuals on:

1) "Trade Unions and Participation in the Political Process" by Professor William Douglas
2) "A Single Standard for Dictatorships" by Professor Douglas (this text examines the AFL-CIO's positions on trade union rights and worker freedoms throughout the world). The program complements the "how-to" manuals on organizing union operations and collective bargaining which were developed by AIFLD under AID grants.
3) "Multinational Corporations and the Caribbean Commonwealth Labor Movement" by Professor Vincent McDonald
4) "External Debt" by Jorge Daly

A training film of collective bargaining also has been prepared. These texts and materials are used in training Latin American and Caribbean trade unionists at the George Meany Labor Studies Center in Silver Spring, Maryland and throughout South America.

5. On page 6 of the budget justifications you indicate that the Free Trade Union Institute has other programs in a number of Central American countries to assist unions seeking to mobilize their members to vote. What countries are you referring to and how do you provide such assistance?

As we have explained in our FY '84 and FY '85 proposals to the NED, the AFL-CIO supports non-partisan voter education and get-out-the-vote activities in the following countries and in conjunction with the following democratic labor federations:

Country	Labor Federation
Costa Rica	CNT (National Confederation of Workers)
El Salvador	CTD (Confederation of Democratic Workers)
Guatemala	CUSG (Confederation of Labor Unification of Guatemala)
Honduras	CTH (Honduran Confederation of Workers)
Panama	CTRP (Confederation of Workers of the Republic of Panama)

Each of the trade union organizations with which we work is affiliated to the International Confederation of Free Trade Unions, the Brussels-based international labor confederation.

Funds support committees on political education which work to promote non-partisan voter participation in the electoral process and thus to strengthen support of the principals of representative democracy in a region where democratic institutions are fragile.

The program includes training courses and seminars for trade union activists and the rank-and-file members. These include techniques of voter registration and mobilization; the arranging of meetings with major party candidates to acquaint voters with their positions on key political, social and economic issues; the explaining of voting procedures to semi-literate workers and peasants; and assuring that voters are transported to polling stations on election day.

Close observers of developments in Central America share the view that democracy is undergoing an extraordinary revival in the region. This is all the more remarkable given conditions of severe economic strain, social tension, and a level of violence in some countries that borders on civil war. Despite this, successful presidential, congressional and local elections were held in Costa Rica, El Salvador, Guatemala and Honduras, the last three countries having a long history of rule by military fiat which may now be coming to an end.

The contribution of organized labor to strengthening democratic institutions in these countries may be subject to argument as to relative degree. There can be no dispute, however, that it has earned a considerable share of the credit.

6. Also on page 6, you indicate that the Free Trade Union Institute has funded research institutes and organizations of intellectuals and trade unionists concentrating on trade union freedoms. Among these is something called a Latin American "Labor Watch" project to monitor trade union freedoms. How much are you spending for that project and what are the results so far?

The FTUI-supported "Labor Watch" initiative is one of the most significant projects we have undertaken with the assistance of NED funds. The "Labor Watch" effort funds the activities of the Inter-American Committee on Human and Trade Union Rights, which is based in Panama City. The Committee, headed by Luis Anderson, General Secretary of the Inter-American Organization of Workers (ORIT), includes a distinguished advisory board of prominent Latin American trade union leaders.

The "Labor Watch" initiative seeks to uncover and investigate systematic abuses of individual and trade union rights and to investigate alleged violations. It also sends observers to countries where electoral processes are under challenge.

In its first year of activity, the committee has produced studies of systematic rights violations in Chile, El Salvador, Guatemala, Haiti, Nicaragua, Paraguay and Suriname. It has intervened in behalf of kidnapped and jailed trade unionists in Guatemala and has won the release of arrested or missing trade unionists in at least two countries.

The "Labor Watch" effort has enabled the American Institute for Free Labor Development and the AFL-CIO to obtain reliable information on rights abuses and to develop a network of U.S.

trade unionists who now intercede in behalf of trade union victims of repression in Latin America. They participate by writing letters in behalf of victims of trade union rights violations to government officials in Chile, Nicaragua, and other countries. This effort helps strengthen international labor solidarity while building support for international labor rights.

The activities of the "Labor Watch" initiative in 1985 and 1986 are supported with a total budget of $191,000.

7. On page 7 of the justifications you indicate that the Center for International Private Enterprise, an affiliate of the U.S. Chamber of Commerce, has provided funding to the Institute for Liberty and Democracy in Peru. The justifications further indicate that organization serves as a model for replication in El Salvador, the Dominican Republic and other Latin American countries. How is this project going to help businesses in Latin America?

The Institute for Liberty and Democracy's project is a model program of dismantling a complex web of governmental regulation and bureaucracy that prevents entrepreneurs from forming new small businesses. ILD's previous research has shown that it takes over 289 days to legally form a new business in Peru, as compared with three and a half to four hours in Tampa, Florida. As a result, 60% of the Peruvian businesses exist in a shadowy underground economy, known as the informal sector, despite the fact that the products they produce are perfectly legal. These informal businesses cannot obtain access to credit, insurance, contract law, property rights or other essential business instruments. Producitivity is impaired, the tax base suffers, and employment is lost, all as a consequence of the Peruvian regulatory structure, inherited from the Spanish colonial tradition.

CIPE funding seeks to assist ILD in its efforts to open up this system. Most regulations and laws are made not as a result of parliamentary action, but by bureaucratic decree. ILD has begun analyzing the costs and benefits of new regulations by decree, prior to their enactment, and is pressing for regulatory reduction and simplification. These analyses are published in Peru's leading newsmagazine, Caretas, as well as in major newspapers, to galvanize public opinion in favor of small business development. ILD prepares the cost-benefit analyses for Caretas in a colloquial, non-technical and very readable journalistic style in order to reach the widest audience among the magazine's readership; it then distributes reprints in pamphlet form directly to the small and informal businesses which would be affected by the regulatory measures in their neighborhoods to develop public opinion.

In addition to introducing the application of cost-benefit analysis to public policymaking in Peru, ILD has promoted the creation of the "Commission of Economic Rights," and the public ombudsman's office known as the "Defender of the People," both of which work to safeguard accountability of laws to the people they affect. In order to do so, ILD suggested that the Commission of Economic Rights convene public hearings on proposed legislation and regulations, similar to the congressional or regulatory hearings held commonly in the U.S. which allow citizens to communicate their positions directly to lawmakers. Although the attempt to institutionalize public access to lawmakers within the government has not been totally successful, the ILD now convenes the hearings itself, thus creating an opportunity for businesses and individuals to publically express their views on rules that affect them.

ILD helps to create a smoother functioning economy and a more democratic legal system in Peru in which more individuals have the opportunity to work without excessive regulation by the state, thus contributing to growth, employment, and stability. ILD promotes the concept that in a democracy those individuals most affected by economic regulations have an interest in and right to participate in their formulation or revision. Business groups in Argentina, Brazil, Colombia, the Dominican Republic, and Venezuela, as well as government agencies in El Salvador, are replicating ILD's activities, to open their economies to participation by a greater number of businesses.

8. On page 8, you indicate that the CIPE has programs to promote the concept of private enterprise in Mexico. What specific activities will be funded under this project and what are the amounts?

Three programs will be funded to promote private enterprise concepts in Mexico: (a) seminars in economics for journalists by the Center for Studies in Economics and Education at Monterrey; (b) economic education using the EMPRESA audiovisual kit for teenagers in vocational and technical schools by the Mexican Employers' Confederation; and (c) a seminar for key opinion leaders on the "Political Economy of Rapid Economic Growth" by the Mexican Coordinating Business Council and the Economic Policy Division of the U.S. Chamber of Commerce. Each are described below:

a. CENTER FOR STUDIES IN ECONOMICS AND EDUCATION (CEEE) Amount: $33,000

CIPE awarded a $33,000 grant to the Center for Studies in Economics and Education (CEEE) of Monterrey, Mexico, covering the December 1, 1984 to December 1, 1986 period. A second year grant of $33,000 in 1986, coupled with CEEE's contribution of $18,000, will enable it to expand its training program for journalists. CEEE trains journalists representing 39 newspapers in economic theory and its application to contemporary Mexican problems, as well as produce editorials on private enterprise issues for publication in leading Mexican newspapers.

Seminar topics have included "Economic Analysis," "Evolution of Economic Theory and Economic Decadence," "Free Market Economy in Western Civilization," "Economic Development in Mexico, 1940-1970," "Political Democracy and Economic Freedom in Mexico," "Mexico's Economic Crisis and Economic Theory," "Economic Analyses of the Mexican Economy, 1985" "Ethics, Economics and Society in Evolutionary Perspective," and "The Moral Imperative of the Market System of Economics."

It also prepares opinion-page editorials on open market economic issues every two weeks, which it sends ready-to-print to the editors-in-chief of the same newspapers, to reach a combined daily readership of more than 3,120,000 Mexicans. Editorials have dealt with free trade, foreign exchange controls, the relationship between petroleum production and debt, and Mexico's membership in the General Agreement on Tariffs and Trade. Since economic concepts are frequently misunderstood and misrepresented in the press in Mexico, CEEE's program is a vehicle to create an awareness, directly though the editorials and indirectly through the journalists who participate in the economic education program, of the essential role that private enterprise plays in a democratic society.

b. MEXICAN EMPLOYERS' CONFEDERATION (COPARMEX)
Amount: $66,796

CIPE awarded a $40,000 grant to the Mexican Employers' Confederation (COPARMEX) in 1984-85 for a program of economic education for youth. A second year grant to COPARMEX will enable it to expand its program, reaching a greater number of students. In 1985, COPARMEX taught 297 courses to 7,112 students. In 1986, it plans to offer 1,105 courses to approximately 26,520.

COPARMEX successfully negotiated an agreement with the Mexican government to incorporate the EMPRESA course into the curriculum of the national technical and vocational school system, known as CONALEP. EMPRESA is a Spanish-language audiovisual course that explains the basics of private enterprise and its role in society and how aspiring entrepreneurs can start their own businesses. The dynamic and interactive course exposes students to (a) the broad concepts of savings, capital, money, initiative, wealth, profit, and competition; (b) the functions and responsibilities of general management (use of equipment, technology and raw materials and supervision of accounting, personnel, purchases of inputs and sale of finished products); and (c) the obligations of a firm payment of wages and salaries, benefits, payments to suppliers, depreciation, and taxes). The course was designed by the U.S. Chamber of Commerce, the Association of American Chambers of Commerce in Latim America (AACCLA) and the Fund for Multinational Management Education (FMME).

COPARMEX trains the instructors and administers the courses in the government-run CONALEP schools. In this way, COPARMEX gets involved in its community and contributes to the educational needs of Mexican youth. Moreover, it promotes among youth an awareness of their own potential to become entrepreneurs or seek employment in the private sector, once they have saleable skills, as an alternative to expecting a job from the same central government which provided their education.

c. ECONOMIC POLICY DIVISION, U.S. CHAMBER OF COMMERCE
COORDINATING BUSINESS COUNCIL (CCE), MEXICO CITY
Amount: $50,000

The Economic Policy Division will design and offer a "Seminar on Political Economy of Rapid Economic Growth," to the Coordinating Business Council of Mexico. The seminar will prepare Mexican business executives with the intellectual and factual basis from which to advocate for the application of open market and free enterprise principles as an alternative to the government's statist philosophies and policies. CCE's active participation in this process involves Mexican business executives, in an organized way, in the Mexican public policy process and contributes, through increased public input, to the strengthening and maintenance of the country's democratic processes.

The Economic Policy Division will design and conduct a three-day pilot seminar in Mexico; CCE will identify and recruit the appropriate Mexican participants who have the potential to influence public opinion and will handle all in-country logistics. The seminar will include explanations of:

I. The Free Enterprize System and the Limits of Government
    a. The Legal Environment
    b. The Price System and Resource Allocation
    c. The Role of Government
    d. The Limits of Government
    e. Venture Capitalism

II. Macroeconomic Policy and the Conditions for Economic Growth
    a. The Nature of Wealth
    b. Fiscal Policy
    c. Monetary Policy
    d. International Trade Policy
    e. The Over-all Design of an Economic policy

III. The Record: Case Studies of Rapid and Successful Economic Growth
    a. The Lessons of History
    b. The Economic Policies of High Growth Countries
    c. Third World Economic Development

IV. The Politics of Economic Growth
    a. Situation Analysis
    b. Education of the Public
    c. Strategies and Tactics

9. On page 11 of the justifications you indicate that in 1984 the National Republican Institute contributed to a successful non-partisan voter mobilization effort in Grenada. How was this project carried out to ensure that it was non-partisan?

The work of the NRIIA in Grenada during the 1984 election was focused on voter mobilization and education and was conducted through the Grenada Civic Awareness Organization (GCAO). The membership of the GCAO was and is multipartisan, and examples of the kind of activity supported by the NRIIA are attached. The Institute sought in this effort to offset more than five years of Marxist propaganda about the lack of meaning which "bourgeois elections" have for the people of Grenada. The GCAO sought through distribution of pamphlets, brochures, bumper stickers, tee shirts, and public meetings to raise the level of public debate about the importance of the election to the people of Grenada. The attached materials show how the GCAO hoped to resurrect a civic consciousness which five years of authoritarian misrule under Eric Gairy and four years of totalitarian repression under the Provisional Revolutionary Government of Maurice Bishop had seriously degraded.

The work was strictly nonpartisan in that the message was to vote, but to vote as informed and educated voters who had a stake in the outcome of the election. The funds to support this work were largaly expended in the U.S. on behalf of the GCAO and under their guidance to purchase materials to be used in the voter education and mobilization campaign. The NRIIA grant assistance to the GCAO was monitored closely as a result of the grant agreement signed between the Institute and the GCAO. This agreement prohibitted partisan work on behalf of a candidate or campaign for public office. In addition, regular meetings (in Grenada and Washington) were held with GCAO personnel, and full reports of all financial transactions and program activity were provided on a regular basis.

GCAO

GRENADA
CIVIC
AWARENESS
ORGANISATION

YOUR CONSTITUTIONAL RIGHTS

GRENADIANS: AN IMPORTANT QUESTION!!

Are you aware of your rights under the existing Grenada Constitution Order of 1973? Here are some indicated briefly:

Every person in our Spice Islands, Grenada, Carriacou and Petit-Martinique is entitled to the following fundamental rights and freedoms, whatever his or her race, place of birth, political opinion, colour, creed or sex. However each citizen is required to respect the rights and freedoms of others and the public interest to each and all of the following:

(a) The Right To Life

(b) The Right to Personal Liberty

(c) Protection from Forced Labor

(d) Protection from Inhuman Treatment--that is, everyone is entitled to be protected against torture, any inhuman or degrading punishment or other treatment.

(e) Protection from Deprivation of Private Property.

(f) No Person shall be subject to search of person, property, or entry by others without his or her consent.

(g) Freedom of Conscience including Freedom of thought and religion.

(h) Any person charged with an offense should be given a fair hearing within a reasonable time.

(i) Every citizen shall have freedom of expression including freedom to hold opinions, freedom to receive ideas and information except in such cases as reasonably required in the interest of defense, public safety, the rights and freedoms of others etc.

(j) Freedom of assembly and association e.g. freedom to join any organisation or trade union.

(k) Freedom of Movement throughout Grenada, Carriacou and Petit-Martinique except in such cases as indicated in (i) above.

The Grenada Civic Awareness Organisation appeals to all our citizens to study and become well acquainted with our rights as stated in the 1973 Constitution. Such knowledge will help us to identify and discharge our responsibilities in the effort to secure a true democratic way of life in Grenada, Carriacou and Petit-Martinique.

For more information on the Grenada Civic Awareness Organisation, please contact:

Mrs. Enid Charles Chairperson	2046
Mr. Leonard George	3306
Mrs. Dorry Martineau	2416
Mr. R. O. Palmer	3192

GCAO

GRENADA
CIVIC
AWARENESS
ORGANISATION

IMPORTANT POINTERS FOR THE ELECTION

GRENADA CIVIC AWARENESS ORGANISATION

Dear Fellow Citizen,

The Grenada Civic Awareness Organisation came into being out of love and concern for our country. We wish to invite you to become involved and to participate in our activities, which are aimed at uplifting the individual in an effort to forge a nation of upright, God-fearing, and law-abiding citizens.

With this in mind, we would like to remind you of some important points made in both the "Message from the Heads of Churches" of the Grenada Conference of Churches, and in the radio address of His Excellency the Governor-General, Sir Paul Scoon, when he announced the date of the upcoming general elections.

We hope that you will read and carefully consider these documents, with a view toward assisting you with your decision on December 3, and also toward your contributions to the future development of our dear Grenada, Carriacou and Petit Martinique.

Signed:
Enid Charles (Mrs.)
Chairperson, G.C.A.O.

MESSAGE

FROM

THE HEADS OF CHURCHES

OF THE

CONFERENCE OF CHURCHES

IN

GRENADA

SUNDAY AUGUST 5, 1984

We, the undersigned Heads of Churches of the Conference of Churches in Grenada, feel it incumbent upon us, at this moment in our history, to issue the following statement to our members, indeed to the Nation as a whole, as our country looks forward to the forthcoming General Elections.

We regard such Elections as decisive for our country and its people during the next five years. This event comes in the after-math of many events, and not only those of October, 1983 and subsequently.

We are fully aware of the psychological effects (among many others) upon the minds of our people, of a situation characterised by INTOLERANCE, FEAR and SMEAR CAMPAIGNS, SUSPICION, RESENTMENT, BITTERNESS, HATRED and REVENGE.

It is in this context that we wish to address our message of TOLERANCE, HOPE, LOVE, KINDNESS and TRUST. We recall here the words of our National Anthem: "ONE PEOPLE, ONE FAMILY" and we cry out to Almighty God to "BLESS OUR NATION", now and in the future.

Firstly, we wish to say that we must respect and uphold the rights of others to hold their own opinions and to express them as they wish. It works both ways, of course, that is, others must respect our rights as well, at all times safeguarding justice and truth. We are aware that the smear campaign is on and we strongly deplore this, in the interest of peace in our country, for it promotes fear and cripples initiative. We repeat, what we need in our country today, is the practice of the virtues of TOLERANCE, TRUST, HOPE, LOVE and KINDNESS. We are a Christian people. We must behave like Christians. Let us not forget, also, that the world is looking closely at us. We now have a splendid opportunity to teach the world that a country that has been torn by so many evils can FORGIVE and FORGET the past and TOGETHER join in building a Nation FOR God, UNDER God, WITH God and IN God, for the GLORY of God and the true development of His people.

Let us remember that it is our children, the young people of our country, for whom we are sowing. Whatever we sow, they will reap. We owe it to them to build a bright future, where they too, will be inspired and encouraged, by our contribution, to build in turn, a future for their children.

People of Grenada, we are at the cross-roads. Let us pray for discernment and a discerning heart, like the wise Solomon in the Bible, so that we may think, speak and act wisely. Let us pray for our present leaders, who have undertaken, at great sacrifice, to govern our country as an interim measure, pending the election of a new Government. Let us pray hard for our electorate, for the wise and conscientious exercise of the right to vote. Let us pray for our future leaders, that they may be the ones whom God wishes to use as His instruments to lead us, through JUSTICE, LOVE, TRUTH and FREEDOM, to a TRUE and LASTING PEACE in this dear land of ours, a land given to us by Almighty God.

We attach "SOME GUIDELINES FOR POLITICAL CAMPAIGNS AND ELECTIONS", prepared by the the Jamaica Council of Churches, May 1, 1980. We recommend these to you for your serious consideration.

Finally, what we have shared with you, dear brothers and sisters, and what we have quoted from the Jamaica Council of Churches, point, we feel, to a democracy for which every Grenadian longs, deep down in his/her heart. As ministers of the Gospel chosen to serve you, we pledge our support, encouragement and co-operation with all those who are working for democracy in our dear country. May God be with us all as we join in this truly Christian work, for His glory and honour and our total development. Again we quote: "Three things last forever: Faith, Hope, and Love. But the greatest of these is LOVE."

Sydney A. Charles
Bishop of St. George's
in Grenada,
Roman Catholic Church.

Canon Leopold Baynes
Administrator,
Anglican Church.

Rev. Phillip Ponce
Superintendent
Minister,
Methodist Church.

Miss Rosemary Charles
Residing Elder,
Presbyterian Church.

SOME GUIDELINES FOR POLITICAL CAMPAIGNS AND ELECTIONS

(Prepared by the Jamaica Council of Churches
May 1, 1980)

1 Corinthians 13

Party Leaders and Candidates

LOVE IS NEVER SELFISH

1) Remind your supporters that we are all brothers and sisters.

2) Prevent your campaign from developing into violent confrontation.

3) State publicly your abhorrence of violence.

4) State publicly your willingness to accept the will of the people in terms of victory or defeat at the polls, including cases where the Courts are called upon to decide a particular result.

5) Avoid unrealistic promises and the raising of expectations which might not be fulfilled.

6) Promise to serve your nation and constituency with fidelity.

7) Behave towards your opponent with charity, courtesy and tolerance.

8) Vote for representatives of integrity, sound character, good sense, sound judgement - persons of honour and ability.

9) Report promptly all acts of violence to the competent authorities.

10) Offer guidance to political activists, educate supporters to appreciate the rights of others.

Conduct of Campaign

LOVE KEEPS NO SCORE OF WRONG

1) Conduct an honest campaign.

2) We call upon the party leaders to place their manifesto now, or not later than nomination day, before the nation, so that the people may be assisted to make informed decisions.

3) Concentrate on understanding and helping the nation to understand what your Party stands for and what are the urgent issues facing our nation and what are the proposed solutions.

4) Campaign speeches should avoid wild propaganda and attacks on personalities.

5) Do not practice or encourage "bogus" voting.

6) Dissociate yourself from any form of violence especially those which are organised for the purpose of

intimidating or displacing the supporters of rival parties.

7) Dissociate yourself from any party or candidate that employs the use of explosive and or dangerous weapons.

8) Oppose intimidation and victimization.

9) Avoid character defamation of opponents or supporters of opposing parties.

10) Do not deface walls and buildings with political slogans and obscene graffiti.

11) Candidates should not consort with, nor accept the protection of unauthorized armed persons and "strong men".

Voters

LOVE IS PATIENT AND KIND

1) Every citizen has the right and duty to vote - to deliberately neglect to cast your vote is an irresponsible act.

2) never sell your vote - to sell your vote is to forfeit your freedom of choice. Reject any attempt to bribe you in the interest of any candidate.

3) Cast your vote only after serious consideration of the aims, objectives and policies of the party/candidate seeking your support.

4) Vote for representatives of integrity, sound character, good sense, sound

judgement - persons of honour and ability.

5) Refuse to support any candidate who advocates or employs the use of violence in any election campaign.

6) Remember that each person has the right to his/her views and to support the party/candidate of his/her choice - therefore be tolerant.

7) Elect persons who are committed to the development of the nation, and the interest of equity and justice.

Responsibility of the Media

LOVE REJOICES IN THE TRUTH

1) Report the facts responsibly, without excesses and with substantiation.

2) Define the bases of your speculation.

3) Vet news stories to make them more objective.

4) Try to ensure a balance in terms of facts and statistics.

5) Give equal prominence to points of view and clarification.

Responsibility of the Advertisers

LOVE IS NOT QUICK TO TAKE OFFENCE

1) All advertising in support of political parties or candidates should avoid

defamation of character.

2) All advertising should meet the standards of good taste, must be truthful and accurate.

3) All advertising should be free of personal abuse and should not be designed to bring national institutions nor political opponents into disrepute.

4) All advertisement in support of political parties or candidates should be in keeping with the spirit of the Gospel of Christ so that we may have a peaceful election.

Three Things Last Forever: FAITH, HOPE, and LOVE;

But the greatest of them all is LOVE.

ADDRESS BY HIS EXCELLENCY THE GOVERNOR-GENERAL SIR PAUL SCOON

20TH SEPTEMBER, 1984

Fellow Grenadians and Friends,

This evening I address you on the forthcoming general elections throughout Grenada, Carriacou and Petit Martinique. We have come a long way since the unhappy events of October 1983 and as we reflect soberly on activities of the past eleven months I wish to thank you for your continued vigilance, co-operation, and loyal support. My admiration goes out to the many Grenadians who give generously of their time and talent in community service thus helping not only to strengthen personal relationships but also to lift the social consciousness of our nation. It is upon hard work, tolerance and respect for one another that we must build a united Grenada. I am grateful to our Caribbean and American friends and their governments who continue to help us in the maintenance of law and order while we train our men and women for our Police Force. I am also deeply grateful to the various countries and international and regional organisations which are so generously providing us with aid and technical assistance as we try to improve our skills, to upgrade our infra-structure, to attract foreign capital, and to create new jobs. There are signs of improvement for all to see.

On assuming office the Interim Administration was faced with an unusually grim situation on all fronts and it is to its great credit that it has been able to restore normality in so many spheres of our national life within so short a time. In its determination to get on with the task of economic growth, government has taken steps to attract new private investment, and has succeeded in obtaining massive grants for the completion of the Point Salines Airport and other infra-structural developments such as roads, water, and electricity. The process of building is difficult, but I think in the short period available the Interim Government has achieved its goals, and deserves high commendation from the Grenadian people. I wish to thank the Government and the Civil Service for their unswerving loyalty to their country and their devotion to duty.

One of the aims of the Interim Government was the restoration of parliamentary democracy, and from the very outset I gave you a solemn undertaking that parliamentary elections would be held before the end of 1984. Preparations are proceeding satisfactorily for these elections through the ballot box. The ballot boxes are ready, enumeration of voters has been successfully completed, identification cards are now being distributed and in the next few weeks I shall be issuing the necessary election writs to Returning Officers.

There are some who by their thoughts and actions would like to instill fear and doubt in the minds and hearts of Grenadians in an effort to make us believe that we are not ready for elections. Ladies and gentlemen when shall we be ready? Are we any different from our friends in the rest of the Commonwealth Caribbean who go to the polls at regular intervals to elect their government? Our first decade of independence with all its difficulties and anxieties has taught Grenadians many lessons. We have become a resilient people and a people whose learning experiences should prevent us from making the same mistakes again. It is in our hands to make the second decade of independence a period of peace and prosperity. I appeal to all Grenadians to cast away all doubts and fears about the coming elections and go to the polls as a united people, as a courageous people, as a fearless people with the resolve that our country in the next five years will enjoy peace and steady economic growth under the leadership of a government made up of selfless, hardworking, humble and honest men and women who will put their country before self.

This election is about the future welfare of the country as a whole. It is about the future of your children. It must bring to the surface that great love deep down in our hearts that we Grenadians have for our country. Do not allow anyone to frighten you by their words or their deeds either now or in the weeks ahead. Grenadians must not be afraid to exercise their democratic rights. Grenadians will not be intimidated. Remember the ballot is a secret one. It is you the people of Grenada who must show the way towards a new beginning, a new dawn, for unity in our country, for more work and less play in government, for high standards of morality in public life, and for greater respect for one another. This is our chance - Let us make use of it. The eyes of the world will be focussed upon us as we approach polling day. Fellow Grenadians I am therefore urging all registered voters to do your duty on election day - that is go out and vote. Your country, our country, does not ask for more. For the sake of your children's future and in order to regain the confidence and respect of the outside world please go out to vote.

I have great faith in the democratic way of life. I believe in freedom of the individual - freedom of expression, freedom of ownership or possession, freedom of choice, of worship, of movement. This is the democracy we Grenadians cherish. Of course, there are those among us who will abuse our new won freedom. There are those who in their anxiety to satisfy their needs will continue to threaten, to intimidate and to make un-warranted attacks on people in public life. But if we believe in democracy we must be tolerant, we must be forgiving and we must allow people to express themselves even though they may be doing so out of desperation or selfish motives or because of the lust for power. But electioneering campaign must be free of rancour and hatred. I appeal to all prospective candidates and party supporters to concentrate on issues rather than on personalities, and let truth be your watchword. You have a tremendous responsibility as you must play your part to ensure that elections are free, fair and peaceful. I intend to invite the Commonwealth, the United Nations, and the Organisation of American States to observe our elections.

Ladies and Gentlemen, I have great pleasure in announcing that, after consultations with the Chairman of the Advisory Council, I have decided that General Elections will be held on Monday 3rd December, 1984. Fellow Grenadians, it is your responsibility and your privilege to choose a government that will administer the affairs of our country for the next five years. I know you will not shirk your responsibility. The Interim Government has created a climate not only for democratic growth but also for economic and social advance. It is now left to you to go out and vote on Polling Day, Monday 3rd December, 1984.

May God bless you all.

GCAO

GRENADA CIVIC AWARENESS ORGANISATION

AIMS AND OBJECTIVES

"GRENADA CIVIC AWARENESS ORGANISATION"

AIMS AND OBJECTIVES

Preamble:

Traditionally, we have prided ourselves as being an ordered society but with the passage of time, we have come to witness a marked deterioration of values and standards through undesirable influences. Regrettably, laissez-faire attitudes, apathy, disillusionment and the lack of respect for persons, for the just use of authority and for property rights are some of the ills which bedevil our society.

Deeply disturbed at the implications of such trends, a group of concerned citizens has decided to take action to establish this organisation with a view to sensitising the community to the need to remedy these ills.

In order to ensure success in attaining the Aims and Objectives of the Organisation, it is essential that societal support, involvement and participation be forthcoming for in the final analysis it is only by upliftment of the individual and involvement of the entire society that a nation of upright, God-fearing people can be established.

The Civic Awareness Organisation adheres to the following:

--allegiance to God and Country
--respect and obedience to the just laws of the state
--a spirit of religious fellowship
--a non-partisan approach to political issues

OBJECTIVE 1:

This Organisation seeks to redress the existing social malaise currently pervading our society. How will this be done?

(A) Awareness Programmes (Sensitisation)

Aim: To re-assess and determine with a view to restoring a sense of values acceptable to and in the best interest of the society.

(B) Human Dignity

Aim: To foster and develop individual worth and self esteem so that the citizen is more responsible to his/her Rights, Duties and Responsibilities and acts accordingly.

(C) Role of Religion

Aim: The involvement of religious organisations for the furtherance of Spiritual Values and the application of Truth and belief in Social Justice for the betterment of the daily lives of our citizens.

(D) Redressing Infringements (Civic Rights Nature)

Aim: To establish a mechanism of redress whereby victims of civic rights abuses or injustices, regardless of race, colour, creed or political affiliation are accommodated and to ensure assistance for all, especially the poor, the disabled and the under-privileged.

OBJECTIVE 2:

To promote and encourage throughout Grenada, Carriacou and Petit Martinique, programmes and activities regarding civic rights and responsibilities and the preservation of good Family and Community Life structures and to evoke love for God and neighbour and a higher sense of patriotic duty.

(A) Education:

Schools: Inclusion in the curricula of schools, the subject of Civics, so that the early inculcation of desirable habits and attributes would contribute to the development of better citizens.

Adult Outreach Programmes: Mindful of the category of citizens who have left school without an orientation to their civic and family life rights and responsibilities, the organisation is committed to the promotion of suitable educational programmes designed to meet the needs of such persons.

(B) Involvement of Other Agencies and Organisations:

Parish Branches and Affiliates: Greater impact can be realised through the establishment of branches throughout Grenada, Carriacou and Petit Martinique. Affiliation with similar minded bodies and/or organisations should not only be encouraged but whenever possible solicit incorporation of such.

Media Utilisation: All available forms of media, including seminars, discussion groups, national debates, workshops etc. should be maximally utilised.

Role of Service Clubs, Organisations, Associations, Unions and Agencies: The contributions made bythese groups for the social well being of our communities are well recognised. It is envisaged that through their spheres of influence and by mutual consent, these corporate bodies can further promote programmes relating to civic rights and responsibilities as well as activities designed for the enhancement of family and community life structures.

OBJECTIVE 3:

Development of a strong Constitution is important for the future of our Spice Island. A Constitution should truly reflect the aspirations of its people and at the same time zealously preserve traditional socio-cultural values indigenous to the people. Instances would arise when perhaps certain aspects of the Constitution may need to be reviewed. With the resources available within the Organisation, suggestions for National and Constitutional Reform would from time to time be made to the Government.

Membership:

(1) Individual
(2) Corporate

Application for membership would be entertained from individuals in their own right and groups such as Service Clubs and other Civic Organisations.

10. What are the current activities of the National Republican Institute and National Democratic Institute in Central America?

NATIONAL REPUBLICAN INSTITUTE FOR INTERNATIONAL AFFAIRS:

Nicaragua: The NRIIA is seeking to strengthen internal democratic forces in Nicaragua by assisting an alternate educational institution (Instituto Conservador) which teaches basic management and administrative skills, provides non-ideological language training, exposes the students to democratic theory, and provides an opportunity to practice in a non-politicized learning environment free inquiry into social and political questions. In effect this Institute will provide supplementary educational opportunities for Nicaraguan youth.

It is a small program reaching perhaps three hundred young men and women studying bookkeeping, English, management techniques, and other courses including democratic theory and practice.

Costa Rica: The NRIIA is assisting an independent research foundation in Costa Rica called The Association for the Defense of Democracy. The Association is a public policy advocacy organization which seeks to make policy recommendations to the newly-elected government, and to members of the Costa Rican National Assembly. In addition, the Association will provide informal staff support for members of the Assembly on matters of economic policy, and issues related to plans for the convening of a Constitutional Assembly within the next two years. The Association also plans a series of public opinion surveys on economic policy and Costa Rican foreign policy.

Guatemala: Prior to the Presidential elections on December 4, 1985, the NRIIA conducted an extensive program in Guatemala designed to expand the franchise and electoral participation. This work was strictly non-partisan, and intended to aid the nascent democracy by broadening the popular consensus for elections. This program featured, in particular, the first national survey of public opinion conducted in part in the native Indian languages -- this in support of the Supreme Electoral Tribunal. Featured, too, were television and radio presentations, prepared in cooperation with local civic organizations, which explained the mechanism and importance of voting, both in Spanish and Indian languages.

NATIONAL DEMOCRATIC INSTITUTE FOR INTERNATIONAL AFFAIRS

NDI has no projects in Central America. An NDI representative was invited to observe the Guatemalan elections in December and to attend the inauguration in January; however, in both instances, NDI participation was funded through FUNDESA, a private voluntary organization based in Guatemala City.

11. Also on page 11 you indicate that in the education area, the Endowment has funded democratic political training for young people in Panama. How is this project being carried out -- through grants for materials, exchange of young political leaders, or other means?

An important part of the Endowment's work is in the area of education, culture and communications. As expressed in its Statement of Principles and Objectives, the Endowment believes that "training in democratic habits and principles is most effective if it begins during youth." As part of its work in this area, in FY85 the Endowment awarded a grant to the YMCA of the USA for an in-country project to be carried out by the YMCA of Panama. Its goal was to "provide training opportunities for youth in political leadership in the democratic process through guidance, planning and experience in the theory and practice of determining public policy" in Panama. As in all other grants, NED assistance to the YMCA of Panama reflected Endowment efforts to respond to Panamanian needs and to encourage -- but not control -- local efforts there to promote democratic habits among Panamanian youth.

The Youth in Civic Development project of Panama is organized into three distinct phases: a) local club bill writing and study of the Panamanian Constitution; b) district conferences during which participants are trained in legislative procedures, debating bills, lobbying, court trials, and news reporting, and c) an annual youth legislative assembly held in

Panama City, where participants have the opportunity to apply the knowledge and skills learned throughout the year. (Attached is a report on the YMCA-Panama youth legislative assembly visited by a NED staff member in December of 1985.) The program is designed to provide hands-on experience for a large number of high school students in Panama City on how democracy functions in Panama, particularly through its Executive, Legislative and Judicial processes. Special recognition is given to those students who have demonstrated the greatest understanding of the concepts taught throughout the program, and who have most actively participated in the activities of their local clubs.

At a cost of only $41,500 to the Endowment, the project has achieved all of its original objectives and has reached hundreds of Panamanian high school students. Indeed, it has been so successful that the YMCA of Panama requested renewed NED financial support for its continuation and extension into two additional cities, Chiriqui and Colon. Moreover, other countries such as Costa Rica and the Philippines have expressed interest in duplicating the project through their own YMCA youth programs. At its March 1986 meeting, the Endowment's Board of Directors approved funding for 1) the continuation and extension of the YMCA Panama program and 2) the establishment of a similar program in Costa Rica at the requested levels of $66,000 and $28,500, respectively.

REPORT ON THE YOUTH LEGISLATIVE ASSEMBLY OF THE YMCA-PANAMA YOUTH IN CIVIC DEVELOPMENT PROJECT

DECEMBER 13-15, 1985

The year-long Youth in Civic Development Project of the YMCA in Panama culminated in a 3-day Youth Legislative Assembly held in Panama City. It was attended by approximately 200 high school students, ranging from 14 to 18 years of age. (I was told that attendance did not reach the anticipated 500 mark because the conference had been postponed by one month, and many students who had originally planned to attend had gone home for the holidays by this time.) Participants were selected as representatives of the Executive, Legislative, and Judicial branches of government and the news media, and assigned to their respective committees during the district conferences and seminars which were held throughout the year prior to the Legislative Assembly. Each student present at the Assembly was there in his or her capacity as President of the Republic, Legislator, Magistrate, or Journalist, and was identified accordingly by a name tag.

The first session opened with a swearing-in ceremony for the President of the Republic, 17-year old Massiel Muniz. Ms. Muniz delivered a stirring speech, calling on her fellow students to recognize and assume their responsibility in promoting the values of a democratic society. She emphasized that "democracy -- that system which Panamanian youth advocates and demands -- is not a utopian dream, it is a concrete reality;" that its existence depends on "a willingness to struggle for high ideals, and on a commitment to work together towards democratic goals." In her concluding remarks, Ms. Muniz pleaded with adults "not to make [youths] silent witnesses to anti-democratic activities which are directly opposed to moral and ethical human values." (The Endowment will receive a copy of the full text of Ms. Muniz' speech, along with a detailed report and audio-visual materials covering the entire proceedings from YMCA-Panama.) Ms. Muniz' speech was followed by a question-and-answer period, during which members of the Legislative Assembly posed questions aimed at determining the President's position on various political, social, and economic issues ranging from preservation of Panamanian cultural identity to teen-age drug abuse.

The rest of the day was spent debating a total of 25 bills which were introduced before the Youth Legislative Assembly. The legislators broke up into their respective committees in order to debate, modify, reject or approve final drafts of the proposed laws which were to be voted on in the plenary session of the Legislative Assembly. After much critical discussion, the Assembly reconvened on the second day, and final drafts of the bills were debated among those present. Overall, the young legislators demonstrated a sound grasp of Panamanian parliamentary procedures and a mastery of their Constitution (on which most based their arguments in favor of or against the bills before them), and the proceedings flowed smoothly in an atmosphere of genuine respect for independent thought and the free exchange of ideas.

Before closing the second session, candidates were nominated for the 1986 elections for President of the Republic, President, Vice President, Secretary and Assistant Secretary of the Youth Legislative Assembly. Nominees were given an opportunity to say a few words before the Assembly. Most candidates used the time to make assurances that the first and foremost priority of their campaign would be to recruit new schools and increase the participation of their own schools in the Youth in Civic Development Project carried out by the YMCA-Panama.

Judging by the high level of civic awareness and overwhelming enthusiasm expressed by these young students for the program and its goals, I believe that the YMCA Youth in Civic Development Project must be considered a success. True to the project's original objectives, not only did the participants consistently demonstrate a clear understanding of the formal and informal structures of government (I witnessed several "backroom" negotiations on certain controversial votes), they actively participated in the legislative process with copies of their Constitution in hand, identified social problems and worked together towards their resolution, and effectively applied those skills learned throughout the year toward the creation of sound public policy based on universally recognized moral values.

Those students who were not designated as legislators but attended as members of the Press also did a fine job of news-gathering and reporting. Most of the proceedings were video-taped, several on-site interviews of YMCA representatives as well as members of the Legislative Assembly were conducted, and results were published in a daily newsletter. Moreover, it should be noted that the students carried out their activities at the Legislative Assembly with little assistance from the Project Coordinator, Mr. Luigi Mitrotti, who intervened only occasionally on a point of order or to clarify a particularly confusing procedural question. In general, the students needed no such help, for clearly they had learned their lessons well.

Adelina Reyes-Gavilan
Program Assistant
National Endowment for
Democracy

12. On page 12 you indicate that the Endowment is exploring a number of programs with the objective of promoting a free press in Central America. One of the organizations cited is La Prensa in Nicaragua. However, I understand on March 7 the Endowment Board voted to cease funding La Prensa through Prodemca. How much was the grant to La Prensa, what was the specific purpose, and will the Endowment continue to fund La Prensa through other channels.

On January 27, 1986, the Endowment Board approved a $100,000 grant to fund La Prensa through Prodemca. The specific purpose was to pay for supplies essential for La Prensa's continued publication. A grant agreement in the amount of $51,500 was signed with Prodemca, so that $48,500 remains to be funded through another organization.

Activities in the Philippines

1. On page 5 of the justifications you indicate that the Free Trade Union Institute is assisting unions in the Philippines. What form does this assistance take and what has been its impact?

In 1984 and 1985, with funds made available through the National Endowment for Democracy, the Free Trade Union Institute and the Asian American Free Labor Institute were able to expand their program in the Philippines, which had been in place since 1969. Fortuitously for both our nations, this additional assistance was provided at just the right time.

The results were probably most visible in the extraordinary mobilization of union members in the weeks before and in the critical days immediately after the February 1986 presidential election.

Our principal partner there, the Trade Union Congress of the Philippines (TUCP), had in November launched registration and then get-out-the-vote drives, which included wide distribution o wall posters and newspaper and radio ads. Copies of newspaper ads are attached. The TUCP also organized many thousands of the individuals who staffed the poll-watching organization NAMFREL on election day to insure an orderly and fair balloting. Without endorsing a candidate, the TUCP helped render the election an accurate reflection of the wishes of the Filipino people.

The TUCP and its affiliates did not win the loyalty and cooperation of so many Filipinos overnight or in the course of the election campaign. Rather, the TUCP has persuaded people to join by demonstrating that organized labor can help protect the interests of average citizens -- not least by providing useful services to members.

With the help of the AFL-CIO's Asian-American Free Labor Institute, the TUCP has in recent years launched and sustained these kinds of programs of a scope and variety that would never have been possible without funds from the National Endowment for Democracy.

1) "Social Awareness Seminars", conducted in cooperation with churches, at which local military officers and civilian political leaders were brought together with union leaders and community members to air grievances and become acquainted with one another.

2) A re-training program for unemployed sugar workers (in Negros). This not only provides basic instruction to farmers in how to grow crops on their own after losing jobs on the industrial sugar plantations -- but also provides seed capital to enable the new farmers to get started, when the only alternative historically has been loan sharks. The program aids workers particularly vulnerable to pressure from communist dominated unions.

3) Communications/publications. Worker groups have begun broadcasting programs on six radio stations in the country. With NED funds, AAFLI supports three newspapers and a union newsletter. With these media programs the TUCP has been able to offset the propaganda efforts of anti-democratic unionists.

4) Systematic training and retraining of union leaders and organizers in basic democratic concepts, including the nature of democratic political systems as well as in conventional union organizing and collective bargaining techniques.

5) Small enterprise loan programs (in Butuan and Davao cities) are available to organized vendors, as well as other small farmers.

6) Producer and consumer cooperatives consolidate the marketing resources of rural and urban communities alike, in order to keep prices low and supplies of

goods flowing. This program and the loan program have been particularly helpful to farmers in areas disrupted by the New Peoples Army.

7) Primary health care programs (in Cebu, Mindanao, Iloilo province and Negros Occidental) involves the dispatch of teams of nurse-practitioners to barrios and villages where workers' families had grown accustomed to infrequent or inadequate medical care. These nurses also communicate the value of democratic organization during the course of their work.

All of these programs are part of the broad (and successful) effort to persuade Filipinos that their interests are better advanced in a democratic society than in a country run by either dictators, such as they have known, or totalitarians such as the Communist New People's Army.

These activities have combined to bring Filipino workers and farmers into both the economy and the community of democrats.

Examples of
Newspaper advertisements
Placed in Filipino press
by the Trade Union Congress of the Philippines
during the campaign preceeding
the Presidential Election
February 7, 1986

Let's give democracy a chance!

The future is at stake on Feb. 7, 1986. Vote and help make the elections clean and free!

The presidential election set for February 7 offers Filipinos an opportunity to speak out on what they believe this country's course should be.

We, the Trade Union Congress of the Philippines (TUCP), regard this election as much more than a routine exercise in citizenship. For it gives us a way of breaking the political stalemate that has impeded our country's economic and social life. More importan it gives us a chance to strengthen our political institutions.

Ensuring clean elections is everyone's concern

We as a people cannot—should not—pass up this chance without making it a victory for Philippine democracy. And democracy in this country will win out only if this election is free, honest and fair.

Ensuring clean elections is never a job for Government alone. It is every citizen's concern, every Filipino's duty. We of the TUCP resolve to do our share.

As a beginning, we have allied ourselves with the National Citizens' Movement for Free Elections (NAMFREL) and committed our entire membership of 30 affiliated federations and national unions to helping safeguard the election.

We have begun information campaigns using both the mass media and our union networks in Luzon, Visayas and Mindanao to urge all citizens to vote—and to vote intelligently.

We intend to help candidates and their campaigners reach our membership throughout the country by offering them forums for explaining their platforms and programs of government to Filipino workers and their families.

In conducting this campaign, we of TUCP will be nonpartisan. As an organization we will neither take sides nor endorse any party ticket.

We expect our members to make up their minds individually, judging the candidates by their public and private actuations and by the strength of their commitment to the workers' well-being.

We will neither take sides nor endorse any party ticket

We realize that whatever we do can only be a small part of the great national effort we as a people must undertake, to ensure Philippine democracy's primacy over other systems of belief that threaten it.

We urge the entire Filipino nation to rally to this cause.

For February 7 is *not* just another election to choose a President. It may be the last chance for democracy in this country.

Trade Union Congress of
the Philippines (TUCP)
Member, NAMFREL
TUCP Multi-Purpose Bldg.,
TUCP-PGEA Compound
Maharlika corner Masaya
St., Diliman, Quezon City
Metro Manila 3008
Philippines
Tels. 972-829; 922-25-75;
922-25-76; 922-25-79

KMP
TUCP

Trade Union Congress of the Philippines

Member, NAMFREL

2. On page 6 of the justifications you state that the Free Trade Union Institute has sponsored a publications program with Philippine trade unionists to help them develop a capability to offset extensive communist propaganda. How effective has this project been in enabling these unions to deal with communist propaganda?

Contrary to a common impression in the United States, there was a lively and contentious press in the Philippines even under the Marcos regime. Nevertheless, both the Marcos regime and, more recently, the Communist movement increasingly have used the media to spread propaganda, sometimes relying on the most blatant of lies to attack their democratic opponents. For example, the KMU trade union grouping used sympathetic left-wing journals to plant stories that the TUCP was government-controlled and a front for CIA operations. The Marcos government, for its part, used its press to blame the country's poor economic fortunes on trade unions. Before the TUCP and its sister organization, the NCFO, had access to Endowment resources, their ability to publicize their side of the story was severely limited. However, the TUCP and the NFCO and their affiliates now have either launched or upgraded seven publications with our assistance. In the TUCP's monthly newspaper, Ang Pilipino (The Filipino), stories have appeared that detail Communist united front tactics and how these tactics inevitably lead to the replacement of democracy by dictatorship. In the Partisan, a regional publication of the TUCP read by workers and peasants in Cebu, articles have appeared on the implications of the post-Marcos period for workers. The Free Farm Bulletin, a Davao-based publication of the Federation of Free Farmers, a TUCP-NCFO affiliate has carried stories that have detailed atrocities committed by both the Marcos government and the NPA. The Bulletin has also contained stories and editorials on government farm policies and technical advice for peasants.

Both the TUCP and the NCFO have expanded their use of radio to offer straight forward commentaries critical of both Communist strategies and Marcos government policies, as well as technical information on health and farm concerns. We know that these broadcasts have had a positive effect in two ways: from letters written from thankful listeners and from the murders of two radio personalities known for their outspoken attacks on the Communist New Peoples Army and the Marcos regime.

The TUCP also engaged the services of a well-known Filipino public relations firm that it is now using to produce special-interest pamphlets and short videotapes that are being circulated among key union activists and leaders of related organizations.

These successes have not been achieved without a price. Over the last year and a half, 26 TUCP officials were murdered. Several of these victims were labor journalists and radio broadcasters whose activities were supported in part with NED funds.

With the supplanting of Marcos' regime the principal threat to democracy comes from the Communist insurgency and its supporters. Continued assistance for a free workers press is needed, particularly in areas of significant Communist activity.

3. What initiatives does the Free Trade Union Institute plan to take in the Philippines to help unions, now that there is a new government?

In the post-Marcos era that has now begun, a great deal of economic reorganization and social re-orientation is underway. Among other things, this means it is difficult at this juncture to predict precisely how union activities will evolve in the months ahead. We are now discussing such questions with the General-Secretary of the TUCP, Ernesto Herrera, who is currently in the U.S. (Mr. Herrera was awarded the 1985 George Meany Human Rights Award by the AFL-CIO for his courageous work as a member of the Agrava Commission, which investigated the murder of Beningo Aquino and implicated General Fabian Ver and other military officers.)

At this writing, the President of the Philippines has begun naming members of a commission to draft a new Constitution. That Constitution and the legal code that emerges from the processes it establishes will determine in the large part how Filipino trade unionists direct their activities. We will continue to take our cues from them.

With the imposition of the first round of cuts in the labor program, we have already begun to scale back our assistance to the Philippines. The program absorbed $2.1 million in FY '84, $1.3 million in FY '85 and $670,000 in the current year. This cutback could not happen at a worse time. The nurse practitioner health care program has already been reduced. In Davao, the revolving loan fund for small entrepreneurs has been frozen, even as demand multiplies. One of the regular union newsletters there is about to cease publication.

At precisely the moment when the Communist New People's Army is stepping up its political organizing activities in the rural Philippines, the best-organized democratic unionists are having their resources cut.

FREE TRADE UNION INSTITUTE PROGRAM HIGHLIGHTS

During the 1985 fiscal year (October 1984 to September 1985) the Free Trade Union Institute was able to consolidate programs begun as early as April 1984, begin many new efforts and engage in wide-ranging education activities to explain its initiatives to constituencies in Congress and within the ranks of the AFL-CIO itself.

Funding from the National Endowment for Democracy has enabled the AFL-CIO to assist its many free trade union counterparts in many unprecedented ways ranging from education about voting and elections to union-building and basic servicing. Assistance offered, always at the request of the foreign union, has enabled the AFL-CIO's many democratic allies to grow stronger, particularly in situations where, without such aid, repressive governments and subversive movements would otherwise make life for free unions virtually impossible.

In the year ending September 30, 1985, the Free Trade Union Institute supported democracy-building efforts in Europe, Asia, Africa, Latin America and the Caribbean. Its priority concerns focused on the themes listed below. Beyond these themes this summary selects a number of programs worthy of special note.

* Monitoring Trade Union Rights. Documenting trade union rights violations is among the highest of the Free Trade Union Institute's priorities. With more specific information on government efforts to intimidate unionists, American labor and the international labor movement will be better able to dramatize particular repressive acts and to carry the cause of resisting them into a variety of international bodies. The AFL-CIO seeks to provide this information to the International Confederation of Free Trade Unions (ICFTU), to which it is affiliated, and through the ICFTU to the monitoring bodies of the International Labor Organization.

* Support for Exiles. FTUI provides subsistence support to exiled trade unionists and their families. These exiles also often need funds for maintaining valuable contacts with democratic trade unionists remaining in their countries. Such contacts and the information coming from them can provide both the hope and the practical means for the future reinstitution of democratic trade unionism.

* Civic and Electoral Education. Democratic unions are increasingly interested in urging their memberships to become more involved in elections. They are looking for technical assistance and support in such non-partisan voter activating efforts as education about issues, get-out-the-vote drives, and the production of election-related

Bulletin Today, December 26, 1985

BOYCOTTING THE POLLS IS A DEATH-BLOW TO DEMOCRACY

Active participation in the Feb. 7 election - not boycotting it - is the thing to do. To vote is to strengthen democracy by your concrete action, not by word alone, worse only by a pure wish.

We need the collective illumination from all of the votes put together to know the kind of leadership we truly want for our country. To vote is to light your candle so that we can together have a strong source of light.

LIGHT A CANDLE!
DON'T JUST CURSE THE DARKNESS!

We particularly urge all unions and workers of our country to rally behind the movement for active participation in the polls and for a clean and free election. For, unionism and democracy are two closely interwoven ideals, one sans realization without the other.

Where unionism is strong, democracy is alive - and vice versa. Where unionism is weak, so is democracy.

WORKERS, LET'S VOTE! IT IS OUR RIGHT, IT IS OUR OBLIGATION, TO DEMOCRACY AND TO UNIONISM.

Just as we urge particularly the country's workers to participate in the Feb. 7 polls and help make the election clean and free, we also urge the voting citizenry in general to do the same. For, democracy is everyone's concern.

REGISTER ON DECEMBER 28 & 29!

On Dec. 28 & 29, don't fail to register. From then on, join us in the search for the right decision to make on Feb. 7, 1986.

Who must register?

- Persons who have reached 18 years of age after the 1984 elections
- Qualified voters who were not able to register last 1984 elections
- Voters who transferred residences before August 7, 1985
- Voters whose registrations were cancelled due to disqualifications but whose disqualifications have been lifted.

Voters who already belong to the permanent list of voters for the 1984 elections need not register for the coming presidential elections.

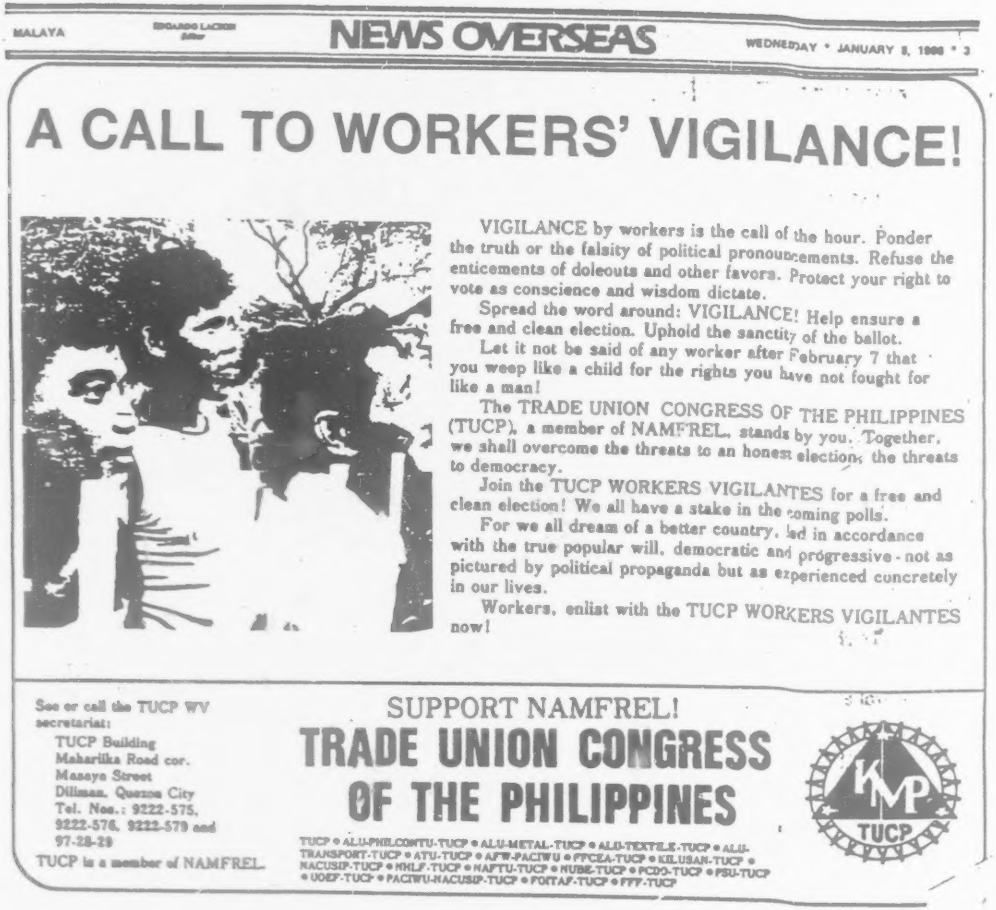
Voters already registered who may wish to have I. D. cards must satisfy the same requirements.

The TRADE UNION CONGRESS OF THE PHILIPPINES (TUCP), a member of NAMFREL, will sponsor debates and symposia to help ensure that we get to hear the candidates' platforms and answers to the vital questions of workers and the nation.

Trade Union Congress of the Philippines (TUCP)

Member, NAMFREL

Maharlika Road, cor. Masaya Street, Diliman, Quezon City
Tels. 97-28-29, 9222-575, 9222-576 and 9222-579



MALAYA [illegible] Editor NEWS OVERSEAS WEDNESDAY • JANUARY 8, 1986 • 3

A CALL TO WORKERS' VIGILANCE!

VIGILANCE by workers is the call of the hour. Ponder the truth or the falsity of political pronouncements. Refuse the enticements of doleouts and other favors. Protect your right to vote as conscience and wisdom dictate.

Spread the word around: VIGILANCE! Help ensure a free and clean election. Uphold the sanctity of the ballot.

Let it not be said of any worker after February 7 that you weep like a child for the rights you have not fought for like a man!

The TRADE UNION CONGRESS OF THE PHILIPPINES (TUCP), a member of NAMFREL, stands by you. Together, we shall overcome the threats to an honest election, the threats to democracy.

Join the TUCP WORKERS VIGILANTES for a free and clean election! We all have a stake in the coming polls.

For we all dream of a better country, led in accordance with the true popular will, democratic and progressive - not as pictured by political propaganda but as experienced concretely in our lives.

Workers, enlist with the TUCP WORKERS VIGILANTES now!

See or call the TUCP WV secretariat:

TUCP Building
Maharlika Road cor.
Masaya Street
Diliman, Quezon City
Tel. Nos.: 9222-575,
9222-576, 9222-579 and
97-28-29

TUCP is a member of NAMFREL.

SUPPORT NAMFREL!

TRADE UNION CONGRESS OF THE PHILIPPINES

TUCP • ALU-PHILCONTU-TUCP • ALU-METAL-TUCP • ALU-TEXTILE-TUCP • ALU-TRANSPORT-TUCP • ATU-TUCP • AFW-PACIWU • FFCEA-TUCP • KILUSAN-TUCP • NACUSIP-TUCP • NHLF-TUCP • NAFTU-TUCP • NUBE-TUCP • PCDO-TUCP • PSU-TUCP • UOEF-TUCP • PACIWU-NACUSIP-TUCP • FOITAF-TUCP • FFF-TUCP

events and materials like buttons, bumper stickers and ads. Unions facing competition from anti-democratic elements are looking for training related to parliamentary procedures, democratic values and preventing takeovers by extremist minority factions.

* Aid to Democratic Trade Unionists. Whether they are leaders of democratically-controlled unions or democratic trade unionists competing to win membership support in organizations now hostile to democracy, free trade unionists often need help. Some require additional research and information or technical assistance in their efforts to counter what are often the well-financed activities of unions or other groups that oppose free trade unionism.

* Union-building. Aspiring democratic unions need basic support in developing representative structures, the apparatus required to service members, and the publications needed to communicate with them.

What follows is a brief account of areas in which Free Trade Union Institute programs have made a concrete difference in strengthening democratic unions and promoting democratic values. The examples are taken from a wide variety of settings in which the Free Trade Union Institute supported programs in the reporting year October 1, 1984 - September 30, 1985. Programs funded with FY '84 and/or FY '85 funds are included in the list.

PROGRAM HIGHLIGHTS

ASSISTANCE TO TRADE UNION EXILES

The repression of democratic trade union activists and reprisals against their families is a practice common to a number of Latin American countries. In 1984-85, the Free Trade Union Institute, working through the American Institute for Free Labor Development, provided material assistance to exiled trade union victims of repression from Nicaragua, Chile and Paraguay.

Over the course of the year 300 families of Nicaraguan trade union exiles were provided with assistance to help maintain themselves in exile, primarily in Costa Rica. Assistance also was provided to the publication Unidad, a monthly which has played an important role as a source of information within the Nicaraguan exile community. Unidad, which publishes reports on developments within Nicaragua that are censored by the Sandinistas, is now mailed to over 100 countries in an effort to serve as a counterweight to Sandinista propaganda. Several families of trade unionists sentenced to internal exile in remote parts of Chile are being provided with material assistance. Paraguayan labor leaders, blacklisted for their free trade union activity, are receiving support for food, clothing and medicines for themselves and their families. The program has contributed to alleviating the economic distress of courageous men and women engaged in the fight for worker rights. Such assistance is both a necessary expression of international labor solidarity and an indication that union activists are not alone in their struggle for freedom.

CHAD

FTUI support, through the African American Labor Center, assists the Confederation Syndicale du Tchad (CST) in promoting democratic values and pluralism in a state which is suffering from the ravages of civil war and drought. The CST, likewise, faces the challenge of rebuilding a trade union movement in a setting in which a rival Libyan-backed federation UNATRAT is active. Assistance in the last year enabled the CST to rebuild and renovate its Bourse du Travail. The building's renovation is completed and the CST now has a functioning national headquarters. The building adds to the visibility and prestige of the CST and, together with renovated training buildings, has created a base for education seminars and union meetings. Two basic leadership courses have been provided and a vehicle has been acquired enabling CST leaders to meet members more frequently.

CHILE

Despite government repression, severe restraints on union activity, and Communist rivals, in the last year, the Chilean Central Democratico de Trabajadores (CDT) has been assisted in its effort to become the principal voice of free trade unions in the nation. In the reporting year, the CDT was assisted in establishing a presence in most of Chile's urban centers; it has improved its publications capabilities; and has shown a substantial increase in membership.

In the year ending September 30, 1985, the CDT has registered the following gains:

1) increased its membership from 80,000 to 130,000;

2) enhanced its national presence through a network of regional offices which provide legal, administrative, and other assistance to affiliates. In the reporting period, the number of regional offices has grown from 3 to 9;

3) tripled circulation of its news bulletin, which now numbers 10,000 copies. Additionally, the CDT has begun "Tucapel" -- an information service;

4) held three separate conferences for more than 700 participants on the transition to democracy.

In addition to these activities, the CDT has launched a nationwide petition campaign to build support for a national referendum on steps toward the transition to democracy. This campaign began in September with the placing of two full-page ads in national weeklies, daily radio spots on three national radio networks, and three public rallies in major population centers.

The CDT has gained the momentum to carry it to the forefront of the democratic forces fighting for an end to dictatorship and for a return to democracy. In a country where the collection of union dues is forbidden by law, FTUI assistance has been important to the CDT's growth.

DOMINICAN REPUBLIC

In early 1984, the Dominican Republic was plagued by street violence and confrontations which took over one hundred lives and left many hundreds injured. The violence erupted after the government's imposition of strict economic austerities prescribed by the International Monetary Fund. With violence threatening the stability of the Dominican Republic's democratic system, the Confederation of Dominican Workers (CNTD) sought NED assistance through AIFLD to initiate a national discussion on workable alternatives to the government's harsh economic policy. A program of "National Encounters" in 1984-85 brought together labor, civic, church, and political leaders at critical points throughout the year to defuse violence and promote constructive dialogue with the government. These dialogues did not eliminate all differences between the government and workers and there were strikes, unrest and protest demonstrations, but the dialogue avoided civil violence and led to some improvements.

In the final analysis, the National Encounters succeeded in: 1) getting the conflict on economic policy off the streets and onto the conference table; 2) maintaining discussion, with government participation, despite periodic interruptions; 3) avoiding violence and protecting the democratic process; and 4) strengthening the leading role of the CNTD as the leader of organized labor in the republic. The latter goal has been achieved with the tacit acknowledgement of the Communist-led labor confederation.

In the last year, the program has been successful in protecting democratic institutions and the process of peaceful protest and debate, while also attaining some concrete material improvements through a new minimum wage law.

The "National Encounters" have won great credibility within the Dominican Republic. Dialogue resumed again in September with the government as a participant.

GRENADA

In the reporting year, FTUI assistance, through AIFLD, contributed to a voter turnout of 86 percent in that country's first elections since the restoration of democratic rule. Assistance provided to the non-partisan Committee of Trade Unionists for Civic Awareness played a central role in non-partisan voter mobilization through the distribution of posters, pens, bumper stickers, radio public service announcements, public meetings, and the transporting of voters to the polls. In the period after the election, assistance has been provided to the Committee for Understanding and Enlightenment (CUE), a broad-based coalition consisting of democratic unions, employer groups, and voluntary community organizations. The CUE has engaged in a literacy campaign and democratic education through essay contests in public schools, a library enrichment program, and assistance to private volunteer groups.

CUE has succeeded in becoming a focal point for community leaders on the island and has opened up communication among various sectors of Grenadian society which had been isolated from one another. CUE also has succeeded in overcoming apathy engendered by the dictatorships of Eric Gairy and Maurice Bishop. Most importantly, the CUE is promoting among Grenadians the concept of the value of the individual's participation in the democratic process and is overcoming the passivity which emerged out of years of colonial rule and subsequent "paternalistic" dictatorships.

LIBRO LIBRE

As part of a broader effort to promote pluralistic expression and to make pro-democratic books available to workers and trade unionists in the region, support is provided to Libro Libre, a Costa Rican publishing house. Libro Libre, which has the support of the Central American Federation of Workers (CTCA) and the American Federation of Teachers has been provided with funds to publish and distribute books and pamphlets on the issues of human rights, political pluralism and the relationship between the state and society.

In the reporting period, Libro Libre has produced more than a dozen books with FTUI funding, administered by the AIFLD. Among these are books on the Miskitos and Sumus Indians in Nicaragua, Religion in Nicaragua, the Encyclicals of Pope John Paul II, Democracy and Development and the East-West Confrontation in Central Amierca. Late in FY 1985, Libro Libre began production of Intercambio, a journal which reproduces and reviews articles on the state of political liberty and democracy in the world. In addition to the dozen books produced and distributed in 1984-85, seven other volumes are in various stages of preparation. These deal with "Trade Unions and Soviet Global Strategy," "Social, Economic and Cultural Rights in the International System," and "Democratic Philosophy."

While the book publication program has been extremely successful, efforts are being made to improve marketing and distribution in the next reporting period.

NICARAGUA

Despite severe harassment, constant government surveillance, and a recently announced suspension of such civil rights as the right to free expression, public meetings, press freedoms, and strikes, efforts continue to maintain lines of communication with the Confederation de Unificacion Sindical (CUS), Nicaragua's embattled democratic labor federation.

The CUS has played a critical role in defending the rights of workers and in mobilizing and organizing the democratic forces committed to peaceful change in Nicaragua. In the summer it held an impressive Labor Day demonstration which attracted over 1,500 participants. Although the rally was broken up by Sandinista police, the demonstration indicated that the independent labor movement by no means has been defeated.

Support to the CUS has enabled that union to continue to publish a monthly magazine, Solidaridad. Assistance from the Free Trade Union Institute to the Nicaragua Human Rights Commission has helped that organization in providing aid to victims of Sandinista repression and in documenting human rights abuses.

In the current context of intensified repression, the work of the CUS and the Human Rights Commission is vital to the survival of democratic forces in Nicaragua.

PHILIPPINES

In the context of a deteriorating political and economic situation, the Free Trade Union Institute has provided significant assistance to the democratic trade union movement in the Philippines with the aim of strengthening the role of the democratic center.

Such assistance has meant that 1984-85 has seen substantial progress for proponents of democracy on the trade union front. The Trade Union Congress of the Philippines (TUCP) and the National Congress of Farmers Organizations (NCFO) have undertaken hundreds of NED-funded programs which have reached, trained and assisted over 100,000 workers and peasants thus far. Over 100 programs and projects are being supported in a variety of areas. Among the most important are:

1) Newspapers/Mass Media. The TUCP and NCFO have been assisted in launching or upgrading seven publications. These publications promote democratic values and criticize the Marcos dictatorship as well as the anti-democratic left. Assistance has enabled the TUCP and NCFO to expand the use of radio programs and commentaries, pamphlets on key issues, and video tapes used in training of activists and key leaders. The media effort has not been without cost. Two trade union broadcasters were murdered by their anti-democratic opponents.

2) Worker Organizing. In a year which saw severe economic decline and increased unemployment, the TUCP not only maintained its membership, but increased it by over 8,000 members. This net increase indicated that many additional thousands of new workers were organized to offset losses due to economic decline. Such organizing gains are significant in a setting in which many workers fear the loss of their jobs if they sign union cards. Funding supported organizing drives in hundreds of workplaces throughout the country, as well as education sessions, the distribution of publications, and health and credit services.

3) Rural Programs. A major focus of the rural effort has been the creation of coalitions with civic and church organizations to promote the interests of peasants and farmers. Agricultural training courses have been supported. One hundred eighteen children of workers have been trained and provided with assistance to begin individual or cooperative agricultural projects. The program includes the provision of medical services through teams of nurses; farm credit programs to help workers escape exploitation by loansharks, and marketing programs. Fifteen seminars on democratic ideology as embodied in cooperative and trade union precepts have been conducted, as have a number of social awareness seminars which bring together union leaders, civic activists and government representatives for discussion. More than 82,000 more rural workers have been organized this year.

The concrete results of these varied forms of assistance have strengthened the TUCP/NCFO coalition. Participation of the TUCP and NCFO in the National Movement for Free Elections, a widely respected non-partisan organization, has also been an important development which places trade unions at the center of the movement for democratic change.

POLAND

Support is provided for the collection and translation of Solidarity's underground publications and for their distribution to Western trade unions and human rights organizations. In addition to this external support, the Free Trade Union Institute assists the Brussels-based Solidarity Office Abroad in its efforts to provide direct assistance to the Solidarity trade union movement inside Poland.

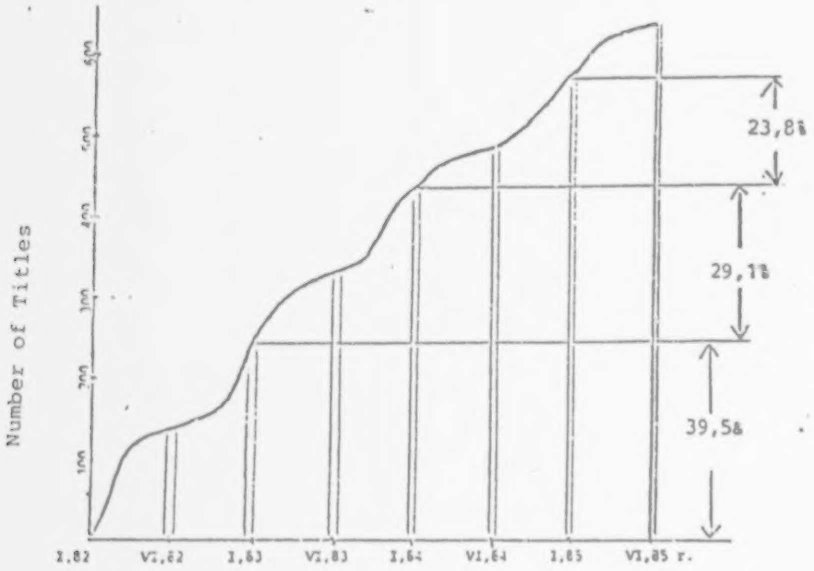
In large measure, this assistance supports the outlawed union's communications activities. Although the specific details of such assistance are confidential, Western commentators report that in the last year there were some 600 different periodicals appearing in the underground and reaching an audience of millions. The Polish underground press has enabled the union to communicate effectively with its members thus breaking the government's monopoly on mobilizing opposition to repression.

The following chart is based on materials from a major western archive of underground Solidarity publications. It, and the accompanying graph demonstrate the number of publications currently appearing in the underground press, and the years in which they appeared. The point of these statistics is not to show that assistance has supported such an increase, but rather it is to show that the Solidarity underground press is a growing phenomenon, which deserves further support.

Year	Titles	Percentage
1982	250	35.5
1983	184	29.1
1984	150	23.8
1985	48*	7.6
Totals	632	100.0

* The first half of 1985

The following graph illustrates the same development but at six-monthly intervals:



PORTUGAL

Support was provided for organizing, research, information, and shop steward activities of the Uniao Geral de Trabalhadores (UGT), Portugal's major democratic labor federation. The UGT faces stiff competition from the Communist Intersindical. Support in the last year funded organizers active in 15 occupational categories including agriculture, chemicals, mineworkers, and public services. A special program supported a teachers organizing effort. Additionally, the activity of union offices and staff were supported at the regional level, enabling the national federation to enhance its presence throughout the country. The regional offices provided assistance in organizing democratic education and provided legal assistance to local union affiliates and union members.

The organizing effort showed particular success in the following sectors: banking, agriculture, chemical, metal, mining, and fishing. The program has also registered sustained representation gains among shipyard workers and among hotel, food and tourism workers, where the Communist unions were dominant. An important component of the institution-building effort was a program of democratic education for union shop stewards and the rank-and-file.

SOUTH PACIFIC

A major initiative funded by the FTUI is the recent establishment of an American trade union presence in the South Pacific. The goal of that presence is to help unions and related institutions with their training and infrastructure needs and to promote democratic education. This presence is particularly significant in the context of increased activity by the Communist World Federation of Trade Unions in the region.

A FTUI-supported office of the Asian-American Free Labor Institute has been functioning for a year in Suva, Fiji. The office coordinates and sponsors projects in six South Pacific countries. Among the projects which were supported in the last year are: 1) occupational safety and health seminars for 15 Fijian trade unions; 2) the donation of a small library of U.S. labor publications to a Fijian government workers union; 3) assistance to Western Samoan unions for headquarters staffing, office equipment, and research; 4) assistance to the Vanuatu Trade Union Congress and the Kiribati Trade Union Congress for research and publications staff and for office equipment; 5) travel grants for local union leaders to attend training courses in Israel on Cooperation, Development, and Labor Studies; 6) two week-long publications and media seminars for Papua New Guinea trade unions; 7) leadership training for teachers; and 8) region-wide cooperative seminars.

NED-funded programs have only recently taken root, but already they are warmly accepted by regional leaders. A struggle between competing definitions of legitimate trade unionism is beginning.

SOVIET LABOUR REVIEW

The Free Trade Union Institute supports the research and publication activities of the Soviet Labour Review, a British based bi-monthly. The Review is the only English-language periodical devoted exclusively to a detailed examination of labor, trade union, and worker rights issues in the USSR. The journal is distributed to Western trade unionists, opinion-makers, experts on Soviet affairs, human rights organizations, and government officials. Its research activities provide reliable and accurate information on Soviet abuses of worker rights and the suppression of democratic trade unionists in the USSR. The Soviet Labour Review was assisted in increasing its distribution and circulation and is reaching a larger segment of the world's English-speaking trade union community.

TRADE UNION RIGHTS MONITORING

A major focus of Free Trade Union Institute supported projects is the collection of information and the sponsoring of original research on trade union and human rights issues. This documentation can be used as the basis for both publicity campaigns against repressive governments and the development of trade union rights cases to be used in such forums as the International Labor Organization. The FTUI has coordinated research on trade union rights violations in South Korea, Romania, Nicaragua, Suriname, Guatemala, and Haiti. It has also supported research on Soviet use of slave labor. FTUI support to human rights groups has been used to document Polish violations of trade union rights and to translate and disseminate the reports and studies of Polish human rights groupings.

An important project supported by the FTUI is a "labor rights watch" program focusing on Latin America and the Caribbean. At its center is the Inter-American Committee on Human and Trade Union Rights. Established in May 1985, the Committee investigates, documents and publicizes violations of basic human rights and labor rights throughout the hemisphere.

The Committee includes prominent Latin American trade union leaders and is headed by Executive Director Luis Anderson, former head of the CTRP, the Panamanian Federation of Workers. In less than half a year of activity, the Committee has begun an inter-American reporting system on violations of labor and human rights and has dispatched fact-finding missions to investigate alleged violations. The Committee's activities in the reporting period focused on Chile, Guatemala, Haiti, Nicaragua, Paraguay and Suriname. In addition, strong representations were made in behalf of kidnapped trade unionists in Guatemala, jailed labor leaders in Chile, and on working conditions in the Haitian sugar industry. The Committee has also laid the groundwork for a speaking tour for Solidarity leader Jerzy Milewski, which will take him to Brazil, Venezuela, Argentina, and Peru. The Committee has made itself an important factor on the human rights scene. It has expanded the cooperation between trade unions and human rights organizations in a number of countries in the region. Similar committees are planned for the Asian and African regions.

4. What programs did the national party institutes carry out during the recent Philippine election campaign?

During the recent Philippine Presidential Elections, the NDI and NRIIA sponsored an International Observer Mission with 54 delegates representing democratic political parties from 19 countries around the world. This distinguished group divided into 10 working groups to visit more than 15 provinces during the elections to monitor their conduct and report to their parties and the world what was seen. Attached is a copy of the final report of this bipartisan mission and commentary on the Mission including letters from Secretary Shultz commending each of the party institutes for their role in the successful Philippine transition.

National Democratic Institute
for International Affairs

National Republican Institute
for International Affairs

"A PATH TO DEMOCRATIC RENEWAL"

A REPORT ON THE
FEBRUARY 7 PRESIDENTIAL
ELECTION IN THE
PHILIPPINES

By the
INTERNATIONAL OBSERVER DELEGATION

Based on a January 26 to February 19, 1986
observer mission to the Philippines by
forty-four delegates from nineteen nations.

National Democratic Institute
for International Affairs
2000 M Street, N.W., Suite 630
Washington, D.C. 20036
(202) 887-6151 Telex 248370 HOGANDER

National Republican Institute
for International Affairs
601 Indiana Avenue, N.W., Suite 615
Washington, D.C. 20004
(202) 783-2280 Telex 5106000161NRIIA

Political development institutes working for democracy

DELEGATION MEMBERS

J. Brian Atwood, USA
Jerry Austin, USA
Manuel Ayau, Guatemala
Elizabeth Bagley, USA
Smith Bagley, USA
Errol Barrow, Barbados
Tabib Bensoda, the Gambia
Mark Braden, USA
John Carbaugh, USA
Glenn Cowan, USA
Curtis Cutter, USA
Rick Fisher, USA
Larry Garber, USA
Raymond Gastil, USA
Antonio Gomes de Pinho, Portugal
B.A. Graham, Canada
Guillermo Guevara, El Salvador
Robert Henderson, USA
Robert Hill, Australia
John Hume, Northern Ireland
Patricia Keefer, USA
Martin Laseter, USA
Dorothy Lightborne, Jamaica
John Loulis, Greece
Lord George Mackie, Scotland-UK
Judy Norcross, USA
Patrick O'Malley, Ireland
Juan Carlos Pastrana, Colombia
Misael Pastrana, Colombia
Howard Penniman, USA
Jose Rodriguez Iturbe, Venezuela
Peter Schram, USA
Keith Schuette, USA
Ronald Sebego, Botswana
Elaine Shocas, USA
David Steinberg, USA
Bill Sweeney, USA
Dennis Teti, USA
William Tucker, USA
Steven Wagner, USA
Kathleena Walther, USA
Edward Weidenfeld, USA
Curt Wiley, USA
Sue Wood, New Zealand

National Democratic Institute
for International Affairs

National Republican Institute
for International Affairs

RECEIVED
APR 8 1986

"A PATH TO DEMOCRATIC RENEWAL"

A REPORT ON THE
FEBRUARY 7 PRESIDENTIAL
ELECTION IN THE
PHILIPPINES

By the
INTERNATIONAL OBSERVER DELEGATION

Based on a January 26 to February 19, 1986
observer mission to the Philippines by
forty-four delegates from nineteen nations.

National Democratic Institute
for International Affairs
2000 M Street, N.W., Suite 630
Washington, D.C. 20036
(202) 887-6151 Telex 248570 HOGANDER

National Republican Institute
for International Affairs
601 Indiana Avenue, N.W., Suite 615
Washington, D.C. 20004
(202) 783-2280 Telex 5106000161NRIIA

Political development institutes working for democracy

ACKNOWLEDGEMENTS

The sponsors wish to thank each of the members of the delegation for their participation in this historic mission. We are particularly grateful for the leadership of President Pastrana and Mr. Hume.

Each member of the group understood in advance that the task of observing this vital election would not be an easy one. Indeed they knew that the members of the International Observer Delegation chose to accept those risks because they understood that the community of democracies had an important role to play in helping to preserve democracy in the Philippines.

We at the sponsoring Institutes are particularly grateful for the advice received from two individuals who have long experience in observing elections: Mr. Howard Penniman of the American Enterprise Institute and Mr. Larry Garber of the International Human Rights Law Group. NDI wishes to express its special thanks to Mr. Garber, its chief consultant, whose guidance, knowledge of Philippine law and drafting skill contributed greatly to the success of our efforts.

The sponsoring Institutes also want to thank staff members who participated in the mission and the production of this report. These include: Robert Henderson, Kathi Walther and Steven Wagner of NRIIA; and Patricia Keefer, Curt Wiley, Karen Clark and Leticia Martinez of NDI.

Finally, we thank the organizations and individuals who contributed the resources necessary to complete the project. We are grateful for the confidence shown in our Institutes by the U.S. Agency for International Development and the National Endowment for Democracy. Grants from these two organizations and from countless private citizens enabled us to achieve our objectives.

J. Brian Atwood Executive Director National Democratic Affairs for International Affairs	Keith E. Schuette Executive Director National Republican Institute for International Affairs

TABLE OF CONTENTS

Page

ACKNOWLEDGEMENTS i

FORWARD x

EXECUTIVE SUMMARY xii

I. INTRODUCTION 1

A. The Delegation's Activities in the Philippines 2

B. Fact-Finding Methodology 5

II. INSTITUTIONAL SETTING 8

A. Background to Snap Election 8

B. Assessment of the Election Law 11

C. Assessment of Institutional Actors 12

1. Commission on Elections (COMELEC) 12

2. NAMFREL 15

3. KBL 17

4. UNIDO 18

5. Catholic Church 19

6. Armed Forces of the Philippines (AFP) 20

7. New Peoples' Army (NPA) 21

III. EVALUATION OF THE ELECTORAL PROCESS 22

A. Political Campaign 22

1. Adequacy of Campaign Period 23

2. Political Rallies; Restrictions on Political Campaigning 24

3. Political Killings, Arrests and Intimidation ... 25

4. Improper Campaign Practices 29

Page

B. Role of the Media 31
    1. Television 33
    2. Radio 35
    3. Newspapers 36
    4. Foreign Press 38
C. Summary 39

IV. ADMINISTRATION OF THE ELECTION -- PRE-ELECTION PHASE 40
A. Voter Registration 40
B. Preparation of Election Materials 42
C. Distribution of Election Materials 43

V. ELECTION DAY OBSERVATION 45
A. Balloting Process 46
B. Problem Areas 49
    1. Disenfranchisement 49
    2. Indelible Ink 51
    3. Vote Buying 52
    4. Intimidation 53
    5. Exclusion of NAMFREL from Polling Sites 55

VI. COUNTING PHASE 57
A. Chronology 57
    1. "Operation Quick Count" 58
    2. The "Official" Count 61
B. Problem Areas 64
    1. Misreporting of Results 65
    2. Statistical Improbability 65

Page

3. Ghost Precincts 66

4. Exclusion of UNIDO from Canvassing Process 67

5. Discrepancy Between COMELEC/Batasang and NAMFREL Results 67

C. Developments During the Week Following the Election . 71

1. COMELEC's Handling of Post-Election Complaints . 71

2. Reprisals 73

3. Response of the Filipino People 74

VII. FOREIGN OBSERVERS AND THE ELECTION 76

VIII. CONCLUDING OBSERVATIONS 78

ANNEXES 87

I. Members of the International Observer Mission 87

II. Executive Summary: Report on the Feasibility of an International Observer Mission to Observe the February 7 Philippine Election 90

III. Transcript of Press Conference Given by International Delegation at Manila Hotel - February 5, 1986 95

IV. Observer Mission Briefing Schedule - February 5 1986 ... 103

V. Observer Mission Terms of Reference 104

VI. Observer Mission Deployment Schedule 107

VII. Observer Mission Evaluation Form 109

VIII. COMELEC Resolution 1747: "Rules and Regulations Regarding Foreign Intervention" (re: Foreign Observers) 113

IX. Transcript of Press Conference Given by International Delegation at Manila Hotel - February 9, 1986 117

X. Catholic Bishops' Statement on the Philippines: Post-Election Statement - February 13, 1986 126

Page

XI. Statement by NAMFREL Chairman Jose Concepcion February 18, 1986 130

XII. NAMFREL Evaluation of 1984 Batasang Elections 133

XIII. University of the Philippines Report on the 1984 Elections 135

XIV. 1985 U. S. Department of State Human Rights Report (Conclusions Only) 139

XV. Ferdinand Marcos' Letter of November 11, 1985 to the Batasang Pambansa Requesting Special Election 148

XVI. Batas Pambansa BLG. 883: An Act Calling a Special Election for President and Vice President, Providing for the Holding Thereof, Appropriating Funds Therefor, and for Other Purposes 151

XVII. COMELEC Resolutions Regarding Special Election (Table of Contents: Resolutions 1721-1753) 156

XVIII. Policy Speeches by Corazon Aquino (titles only) 160

XIX. Pastoral Letters issued by the Catholic Church:
  1. "We Must Obey God Rather than Man" Catholic Bishops' Conference Joint Pastoral Exhortation - January 23, 1986 161
  2. Cardinal Sin Letter - December 28, 1986 164
  3. Cardinal Sin Letter (from the NAMFREL Corner) 167

XX. Reform Armed Forces of the Philippines Movement "Kamalyan 86" Program 168

XXI. UNIDO complaint regarding Antique (Letter from Enrique Javier to COMELEC) - January 26, 1986 171

XXII. List of Complaints Filed with the Commission on Elections in Connection with February 7, 1986 174

XXIII. Actions Taken by the Government of the Philippines to Ensure Free and Fair Elections 178

XXIV. Radio/Television Political Broadcasting Policies (Letters from Stations to Mrs. Lupita Kashiwahara, Media Director, Cory for President) 184

XXV. NAMFREL Estimates of Disenfranchisement in the 1986 Election 186

XXVI. NAMFREL Comparative Analysis of Turnout and Victory 192

Page

XXVII. Tables Derived from Batasang Totals ....
1. Evaluation of Vote in Cities & Provinces where Turnout is Greater than 90% 194
2. Evaluation of Vote in Cities & Provinces where Marcos won by 90% or more 194
3. Evaluation of Vote in Cities & Provinces where Marcos' Margin of Victory is Greater than 150,000 .. 194
4. Evaluation of Vote in Cities & Provinces where Aquino's Margin of Victory is Greater than 50,000 .. 195

XXVIII. Report by Jose T. Ramirez, Provincial Coordinator of East Samar - February 14, 1986 196

XXIX. Photographs of Interference with the Election by Armed Men 199

XXX. Basis for NAMFREL Exclusion ....
1. Memo from Provincial Election Supervisor of Negros del Norte to the Board of Election Inspectors, Victorias, Negro del Norte Regarding Revocation of NAMFREL Accreditation - February 6, 1986 201
2. Memo from KBL Provincial Chairman Faustino Dy Regarding "NAMFREL's Dangerous Adventurism" January 27, 1986 204

XXXI. Documentation: Listing of NAMFREL Volunteers Injured, Missing, Detained or Killed - February 13, 1986 208

XXXII. 1. COMELEC-NAMFREL "PARTNERS" - Parallel Tabulation of Election Returns - February 7, 1986 213
2. Guidelines on COMELEC-NAMFREL Parallel Tabulation of Advance Election Results 219

XXXIII. NAMFREL Precinct Tally Form (PTF) 225

XXXIV. Statement of NAMFREL Executive Council February 9 1986 226

XXXV. NAMFREL/COMELEC Vote Counts - February 9, 1986 237

XXXVI. NAMFREL/COMELEC Vote Count Comparison February 10-13, 1986 238

XXXVII. UNIDO Objections to Certificates of Canvass with Observations and Remarks 240

XXXVIII. 1. Report of the Speaker to the Batasang Pambansa on the Receipt and Opening of Certificates of Canvass, and the Counting of Votes Appearing Thereon 255
2. Time of Arrival of Certificates of Canvass 259
3. Regional Vote Totals Reported by Batasang 261
4. Provincial and City Vote Totals Reported by Batasang 262

Page

XXXIX. Resolution Proclaiming Ferdinand Marcos and Arturo Tolentino as the Duly Elected President and Vice President of the Philippines, Respectively 270

XL. Documentation: Ghost Precincts in Sogod, Southern Leyte
1. Results by Precinct from Municipality in Sogod 271
2. Protest Filed by Ebenezer Cordoza, UNIDO Watcher to the Board of Canvassers, Southern Leyte February 9, 1986 273
3. Results from Province of Southern Leyte by Municipality (with Ghost Precincts separated) 275

XLI. Affidavits from UNIDO Workers in Maguindanao ....
1. Affidavit of Didagen Dilangaden, UNIDO Watcher on the Board of Canvassers, Maguindanao February 9, 1986 276
2. Affidavit of Narciso Clar, UNIDO Liaison Officer, Maguindanao, February 11, 1986 278

XLII. Petition to Declare Failure of Election in Negros del Norte filed by UNIDO - February 10, 1986 280

XLIII. "Our Dignity is not Negotiable," The Manila Times, (Report on Interview with Linda Kapunan) February 13, 1986 284

XLIV. Affidavit of Pedro Baradoian, Project Manager of the COMELEC Tabulation Project - February 15, 1986 285

XLV. COMELEC Committee Report on the Walk-Out of Computer Tabulators at the Philippine International Convention Center 290

XLVI. Center for Democracy Vote Tally Discrepancies: Comparison of NAMFREL Tallies and Official Batasang Canvass 294

XLVII. 1. KBL Report, Advance Result of the February 7, 1986 Presidential Election, Province of Lanaodel Sur 295

2. NAMFREL Precinct Tally Sheets for Select Precincts in Lanao del Sur 296

XLVIII. Center for Democracy Analysis of Precincts not Tabulated and Precincts Tabulated but not Authorized .. 301

XLIX. 1. Petition to Declare Failure of Election in Cadiz City, Negros del Norte, filed by UNIDO February 12, 1986 302
2. NAMFREL Report on Elections in Cadiz City, Negros del Norte 311

Page

L. COMELEC Resolution 1775: In the Matter of the Prompt Submission of Evidence to Substantiate Complaints or Reports of Political Parties, issued February 13, 1986. 315

LI. Army Report of Election-Related Casualties as of February 17, 1986 318

LII. Articles from Filipino Newspapers Concerning Foreign Observers as "Intervenors" and "Meddlers" 323

LIII. Report Supplied by RAM Officer Concerning KBL Projected on a Provinicial Basis 326

LIV. Statement by the U. S. Presidential Observer Delegation February 10, 1986 332

FOREWORD

This report was prepared by the sponsoring organizations, the National Democratic and Republican Institutes for International Affairs, after consultations with members of the delegation and, in particular, with President Pastrana and Mr. Hume, the delegation leaders. The report analyzes information received from each of the 10 teams sent to 15 provinces in the Philippines. It is an effort to present a national perspective of the February 7 snap presidential election, including an analysis of the campaign, balloting and counting phases.

Consultations with members of the delegation indicate a strong consensus for the conclusions reached herein. However, the sponsoring organizations accept full responsibility for the accuracy of this report and for its conclusions.

Events in the Philippines have moved at a rapid and dramatic pace since February 7, 1986. This report must necessarily limit its scope to events associated directly with the elections; thus, analysis of the more dramatic events which occurred after the last member of our delegation departed on February 19, is beyond our immediate purview.

We believe that an analysis of the failure of this presidential election is a useful tool against which to measure the progress of Filipino democracy, and is applicable to similar transitions which will take place in the future. The story of an attempt to corrupt the electoral process, the ultimate expression of a democratic people, is one of great importance to those who seek democratic futures for their own nations.

It is hoped that this report will add to the growing body of literature which seeks to both explain and protect the essential elements of democratic self-rule. In the process, we also wish to offer our gratitude and respect for the courageous Filipinos who have brought about a peaceful reconciliation in the aftermath of the February 7 election. The willingness of the Filipino people to participate in the election, and to see their will ultimately expressed, must serve as an inspiration and a continuing call to vigilance. Just as a loss of democratic freedoms is a blow to all democratic peoples, the victory of democracy is a triumph of free peoples everywhere.

EXECUTIVE SUMMARY

The International Delegation which observed the February 7 presidential election in the Philippines was sponsored by the National Democratic and Republican Institutes for International Affairs and included forty-four individuals from nineteen countries. The co-leaders of the delegation were the former President of Colombia, the Honorable Misael Pastrana, and the Honorable John Hume, a member of the British and European Parliaments from Northern Ireland.

1. The delegation concludes that the election of February 7 was not conducted in a free and fair manner. It is our belief that the Government of Ferdinand Marcos and the Commission on Elections (COMELEC) bear the responsibility for this failure.

2. The delegation finds that the National Assembly, the Batasang Pambansa, ignored explicit provisions of the Philippine Electoral Code requiring that tampered or altered Election Returns be set aside during the final counting process -- despite protests by representatives of the opposition party. For this reason, and because of numerous other violations of the Code, the delegation concludes that the February 15 Batasang proclamation naming Ferdinand Marcos and Arturo Tolentino the winners of the February 7 election was invalid.

3. At the same time, we observed millions of Filipinos who were committed to making the electoral process work. Principally because of their commitment, the election succeeded in providing a vehicle through which the national will of the Philippines was ultimately expressed.

4. There is no single piece of "smoking-gun" evidence which leads to our determination that the election failed to meet a "free-and-fair" standard; there are instead many "smoking-guns." They include the following:

-- The campaign period was marked by numerous violations of the provisions designed to curb improper campaign practices and to limit the Government's use of its power to influence the election;

-- The Commission on Elections (COMELEC) did not carry out its responsibility under the election code to provide equal access to the television media during the campaign period. As a result, Marcos benefitted greatly from the partisan-owned and influenced television and radio media, though the opposition had reasonable access to alternative (radio and print) media.

-- COMELEC officials were unable or unwilling to deal with the problem of fraudulent registration. Safeguards designed to guard against double voting, including indelible ink applied to voters' fingers, were in many areas either ignored or unenforced. The combination of these two factors contributed to an undetermined amount of double voting.

-- An estimated 3.5 million voters were disenfranchised on election day when they could not find their names on the voting register. This resulted in a voter turnout of only 76% in this important presidential election, as compared to 89% in the 1984 Batasang election. This is a major dropoff, especially considering the absence of a well-organized boycott for this election.

-- Disenfranchisement appears to have occurred in opposition-oriented provinces or cities. For example, in the ten cities and provinces which had the highest voter turnout, the winner was the ruling party, while in the ten cities and provinces which had the lowest turnout, the opposition won in eight out of ten. Even more striking is that in the cities or provinces where the ruling party won by a margin of 150,000 votes or more, the turnout ranged between 82% and 96% of the vote. On the other hand, in areas where the opposition's margin of victory was greater than 50,000, the turnout ranged between 71 and 81 percent.

-- Virtually all members of the delegation observed or were told by credible sources that voters were being paid on election day to vote for the Marcos-Tolentino ticket. In many areas, carbonized sample ballots were used as proof of an individual's vote and as a receipt for payments ranging between 25 to 500 pesos.

-- Numerous instances of intimidation of voters were recorded by the delegation; members of the military, the Civil Home Defense Forces, and Barangay officials were commonly implicated.

-- Pollwatchers from the designated opposition UNIDO party and the accredited citizen's arm, NAMFREL, were not permitted access to polling places in many provinces.

-- Problems relating to the counting of votes occurred during all phases of the process. Major discrepancies between the count kept by NAMFREL -- based on hard copies of precinct tally forms signed by all members of the Board of Election Inspectors -- and COMELEC recurred throughout the week following the election, evidencing attempts to manipulate the vote count.

-- Delegation members reported numerous instances wherein precincts recorded zero votes for Aquino despite the claim of the UNIDO pollwatchers present at the precinct that they voted for Aquino.

-- Hard evidence was uncovered of "ghost" precincts, or fictional polling places, wherein the vote was completely fabricated. In one municipality of Southern Leyte, three such precincts were discovered over and above the 55 authorized. In the 55 legitimate precincts, the vote was 6,371 for Marcos and 5,876 for Aquino. In the three ghost precincts, the vote was 900 for Marcos and 9 for Aquino.

-- While we have no direct evidence, we believe that the interference with the counting process which occurred after election day was not simply a dispute between COMELEC and NAMFREL over their "quick count" agreement; rather we believe this was part of an effort by the Government and its supporters to buy time so that the above mentioned fraud could be undertaken.

5. The above-listed violations were perpetrated by national and local officials who supported the Marcos-Tolentino ticket. While we cannot exclude the possibility, our delegation did not observe a single election code violation by supporters of the opposition party despite efforts undertaken to monitor their activities.

I. Introduction

The February 7, 1986 "snap" presidential election was recognized by virtually all Filipinos as an election of historic importance. Both major presidential candidates -- Ferdinand Marcos and Corazon Aquino -- welcomed the presence of international observers. The international observer mission organized by the National Democratic Institute and National Republican Institute for International Affairs was one of two major delegations which responded to the invitation of the candidates and other Filipino institutions. The delegation included members of national parliaments, party leaders, election experts, and Philippines specialists (See Annex I).

The objectives of the delegation were fourfold:

1) to evidence support for those committed to the democratic process in the Philippines;

2) to deter fraud on election day and during the counting phase by being present in key provinces;

3) to detect and report incidents of fraud and other violations of the electoral code; and

4) to disseminate broadly an independent evaluation of the electoral process.

A. The Delegation's Activities in the Philippines

The delegation's work was aided by the report of a six person advance delegation which visited the Philippines in early January. The advance delegation met with the major institutional actors responsible for the conduct of elections and carefully reviewed the laws governing the February 7 snap election. Its report assessed the feasibility of organizing an international delegation and served to brief the full delegation about the nature of the process and the potential problem areas (See Annex II).

On January 26, 1986, several members of the delegation arrived in the Philippines to make logistical arrangements and decisions relevant to the deployment of the mission. They visited ten different provinces to gain insights into the conduct of the campaign and the administrative preparations underway for the election and to assess the security conditions. The remainder of the delegation arrived in the Philippines on or before February 4, 1986.

On February 5, 1986, the delegation announced its presence and objectives at a press conference (See Annex III). The delegation also met with representatives of the Commission on Elections (COMELEC), the National Citizens' Movement for Free Elections (NAMFREL), the ruling KBL party and the dominant opposition UNIDO party (See Annex IV). As another part of the day-long briefing, the delegation reviewed the Terms of Reference established for the mission (See Annex V), and the plan devised for coverage of the election in various critical provinces.

Because of its geography and demography, observing an election in the Philippines is difficult. The nation is comprised of over 7,000 islands and over 55 million people live in the country. Voting occurs at local precincts, of which there were over 85,000 for this election.

The delegation divided into ten teams and sought to observe the electoral process in as many different types of provinces as was practicable (See Annex VI). Thus, some of the provinces selected for observation were KBL strongholds, others were opposition strongholds and still others were areas where insurgents were strong. The ten teams began deploying to their assigned regions on February 6. The teams were instructed to report on the entire electoral process in their particular regions (See Annex VII).

During the day preceding the election, each team met with local officials to review the conduct of the campaign. On election day, each team visited several polling sites. A total of over 1,500 precincts were visited by members of the delegation. Despite a resolution adopted by the COMELEC regarding the presence of observers within fifty meters of a polling site (See Annex VIII), the advance mission concluded, in view of anticipated problems, that access to the polling sites was not a threshold issue. In any event, members of the delegation were in many cases able to observe what was happening inside the polling sites (See section V infra).

In accordance with the recommendations of the advance delegation, considerable attention was directed at the transfer of ballot boxes and election returns to canvassing centers and to the actual canvassing of votes. Thus, the teams remained in their assigned provinces until February 9 to monitor as much of the canvassing process as was possible.

The delegation regrouped in Manila on February 9, and each team presented a report of its observations. Based on these reports, a statement was presented at a press conference that evening (See Annex IX).

The delegation reported "occurrences of vote-buying, intimidation and lack of respect for electoral procedures" during the polling and counting phases committed by the ruling party. Other abuses reported by the delegation were the exclusion of NAMFREL from polling stations and the failure of COMELEC officials to respond to complaints. Because the official vote count was incomplete, and due to conflicts between the official count and the NAMFREL count, (see section VI.B.5 infra), the delegation declined to offer a final assessment of the electoral process. Such an assessment required consideration of whether the irregularities affected the margin of victory.

Most of the delegation departed Manila on February 10. A technical team was assigned the task of monitoring the vote count and investigating allegations of fraud. The last member of the delegation left the Philippines on February 19, 1986. In sum, therefore, coverage of the election process by the international team spanned the periods January 6 to 12 for the advance mission, and January 26 to February 19 for the observer mission itself.

B. Fact-Finding Methodology

Because of the conflicting results reported by COMELEC and NAMFREL -- and the conflicting allegations of fraud -- it is important to set forth the methodology the delegation used to prepare this report. Given the size of the Philippines, the size of our delegation and the relatively short period many members of the delegation spent in the country, the delegation relied on information from the following sources: 1) first-hand observations by members of the delegation; 2) the records and reports collected by the major institutional actors, including the COMELEC, NAMFREL, the Batasang Pambansa (Parliament), the KBL and UNIDO; and 3) on some occasions, the observations of those individuals whom members of the delegation considered credible witnesses, including Filipino monitoring groups, other foreign observers and members of the local and foreign media.

The delegation recognizes that observers, particularly in a country like the Philippines, cannot offer a precise calculation of the probable result of an election absent any form of fraud. At the same time, observers need not limit themselves to answering only whether the election, including the reporting of the results, was conducted in a credible fashion as was promised by President Marcos in announcing the election. While the delegation's findings make clear that the answer to the question of credibility is a resounding "no," the report also goes further.

For the purpose of evaluating the February 7 election, this observer delegation has adopted the following method of analysis: 1) did the law in place contain adequate safeguards to ensure a fair campaign and to prevent fraud or to permit its detection; 2) was the law implemented in a fair and impartial manner; 3) in areas where the law was not implemented fairly and impartially, were these failings likely to affect the reported results; and 4) assuming the failings are significant, does the election provide any basis for determining the candidate supported by the majority of the population.

In summary, the delegation finds that: 1) the law contained the necessary safeguards: 2) in many instances, the law was ignored or was implemented in a manner favoring the KBL party; 3) in many areas, the failure to enforce the law impartially significantly affected the results reported both at the precinct and provincial level; and 4) these failings were significant, but were almost exclusively the result of wrongdoing by KBL supporters and the inability or unwillingness of COMELEC officials to take the necessary steps to prevent the wrongdoings. Under these circumstances, it is appropriate not to count the vote totals from areas where the fraud was most blatant. We therefore conclude that the proclamation by the Batasang of a Marcos victory was improper.

At the delegation's initial press conference on February 5, we stated that we expected that our evaluation of the election would not differ significantly from that of the Filipino people. Having witnessed the events of the past three weeks and having reviewed the statement issued by the Catholic Bishops Conference on February 14, 1986 (See Annex X), and the statement of NAMFREL's chairman (See Annex XI), the delegation believes it is clear that this expectation has been met.

II. Institutional Setting

The first part of this section summarizes the background of the February 7 snap election. The second part presents a general evaluation of the law calling for the election. The third part assesses the roles of the major institutional actors in this election.

A. Background to Snap Election

After martial law was lifted in 1981, a presidential election was held pursuant to the Philippines Constitution adopted in 1973. Without the participation of the leading opposition parties, Ferdinand Marcos won that election by an overwhelming margin. Under the Constitution, the next presidential election was scheduled for May 1987.

In 1983, Benigno Aquino was assassinated as he returned from exile. An independent commission established by the Government concluded that high-level army officials, including chief-of-staff Fabian Ver, were legally responsible for the Aquino murder. After the murder, Filipinos began expressing their discontent with the Marcos government more publicly through rallies and the establishment of alternative media.

Elections for the Batasang were held in 1984. While segments of the opposition chose to boycott the election on the grounds that conditions for a fair election were absent, the UNIDO party led by Salvador Laurel mounted a serious campaign. The results gave Marcos' KBL Party two-thirds of the seats in the Batasang.

The 1984 elections were viewed as "fairer" than previous Filipino elections, in part as a result of the work of the newly formed NAMFREL. However, NAMFREL's analysis of the elections indicated that contests for only 65% of the seats "were sufficiently free from anomalies to be considered valid" (See Annex XII). A more comprehensive report prepared by two political scientists at the University of Philippines and based on material gathered by NAMFREL was released in January 1986. Their report concluded that the "1984 parliamentary elections was [sic] not meant to be free, fair, orderly and honest. There seemed to be a grand design deliberately planned and executed to ensure the continued dominance of the ruling party in the national assembly" (See Annex XIII).

The situation in the Philippines continued to deteriorate following the 1984 elections, with the economy in serious trouble and the insurgency led by the New People's Army (NPA) growing. The Philippines is the only non-communist country in Asia to suffer four years of negative economic growth. In 1984, real GNP in the

Philippines recorded a negative 5.3% growth rate, and this trend continued in 1985.

As reported in the U.S. Department of State Human Rights Report for 1985, serious human rights violations continued throughout the country (See Annex XIV). According to the report, frequent incidents of human rights abuses by the NPA and security forces persisted, particularly in the countryside. The NPA reportedly stepped up its use of terror tactics to further its objectives, and security forces responded in kind.

It is against this backdrop that Marcos announced on November 3, 1985 his intention to hold a "snap" election. On November 11, 1985, Marcos submitted a letter to the Batasang requesting that it enact legislation calling for a snap election and indicating that he would resign the presidency after the election if another candidate was proclaimed the winner (See Annex XV). On December 2, 1985, the Batasang enacted the legislation necessary to set the process in motion for a "snap" election (See Annex XVI).

The legislation was challenged by several groups as being unconstitutional in view of the fact that there was no presidential vacancy at the time the election was scheduled. On December 19, 1985, the Philippine Supreme Court rejected the petition by a vote of seven to five. The majority's position rested primarily on the fact that the Filipino people sincerely wanted the opportunity to participate in the "snap" election, and that the Supreme Court should not thwart the popular will.

The Supreme Court decision removed the major legal obstacle which could have prevented the snap election, and both major parties began mobilizing their efforts soon afterwards. Although there were rumors throughout the campaign that Marcos would cancel the election through a reimposition of martial law, no steps were taken in that direction.

B. Assessment of the Election Law

The laws governing the "snap" election included Batasang Pambansa BLG. 883 (BPB 883 - referred to also as Cabinet Bill 7), and the provisions of the Omnibus Election Code of the Philippines (BPB 881, hereinafter "Code"); both bills were approved on December 2, 1985. In addition, COMELEC had authority to adopt rules and regulations "as may be necessary to ensure the holding of a free, honest, orderly and credible election" (BPB 883, sec. 13). Prior to the election day, COMELEC had promulgated over fifty regulations governing the special presidential election (See Annex XVII).

The advance delegation which visited the Philippines in early January carefully reviewed the election law and concluded that:

> The Code and COMELEC regulations provide a comprehensive framework for the administration of a procedurally correct election. There are numerous provisions designed to protect against fraud and, if fraud occurs, to permit its detection. If problems arise in this area, it will be in the implementation of these procedures by election officials. Further, there are several provisions designed to encourage a fair campaign. However, some of the campaign-related provisions may be unrealistic in the context of this election campaign and, hence, are likely to be ignored.

The delegation endorses the above assessment of the election law.

The advance delegation identified many of the potential problems that, in fact, developed during the campaign and on election day. These are discussed in later sections of this report.

C. Assessment of Institutional Actors

Evaluation of the major institutional actors is critical to understanding the conduct of the election and why fraud proved to be so pervasive. The assessment focuses on the background and performance of these institutions prior to election day. The election day activities are discussed in Sections IV and V.

1. Commission on Elections - "COMELEC"

COMELEC was charged with the responsibility of administering the election apparatus. Under the code, it was authorized to exercise a wide range of authority including: control over the media, regulation of campaign activities and finance, registration of voters, ballot preparation, election day activities and tabulation of the vote.

COMELEC is chartered to have nine commissioners who are appointed by the President. Until January 31, 1986, there were only seven members serving on the COMELEC. However, with only 7 days remaining before the election, Marcos filled the two vacancies with the appointments of Jaime Layosa and Ruben Agpalo. The former was recommended by NAMFREL, while the latter was recommended by the Jaycees and other civic groups.

As all of the commissioners were appointed by President Marcos, many questioned COMELEC's independence, particularly in view of its handling of several complaints relating to the 1984 election. While the advance delegation believed that the COMELEC was committed to ensuring a fair election, events in the weeks leading up to the election raised serious doubts. One controversial issue concerned the conduct of a "quick count."

In December, COMELEC announced plans to conduct an "Operation Super Quick Count" fashioned after NAMFREL's successful "Operation Quick Count," which in the 1984 election produced results from the provinces more quickly than did COMELEC's official count. The short period before the election and the high costs of the plan led COMELEC to abandon "Operation Super Quick Count." Throughout the pre-election period, however, COMELEC maintained its responsibility for the official count.

During the week before the election, COMELEC appeared to threaten the revocation of NAMFREL's accreditation unless NAMFREL agreed to a simultaneous quick count with COMELEC. Two days before the election, an agreement was reached; though in principle it appeared to uphold the essential independence and integrity of NAMFREL's count, in practice the requirements of the new "PARTNERS" agreement served to compromise both the speed and independence of the NAMFREL count (See section VI.A.1 infra).

Other COMELEC actions before the election that raised doubts about its independence included its failure to resolve the "flying voter" issue, its failure to resolve the complaints filed by the parties concerning the campaign, its deputization of the army, its ruling regarding partisan activities by heads of religious orders and its ruling on military voting (See sections III & IV infra). COMELEC claimed it was unable to purge the voting lists of "flying voters" and was unable to investigate other registration irregularities due to the short period it had to prepare for the election. However, in this matter as in others, the delegation believes COMELEC suffered a failure of will.

2. NAMFREL

Historically, the Philippines Election Code had permitted the accreditation by the COMELEC of "citizen's arms" to help ensure fair elections. The National Citizens' Movement for Free Elections (NAMFREL) was formed for this purpose by Filipino businesspersons prior to the 1984 elections and had close ties to the Philippines Catholic church and many civic organizations. The national chairman of NAMFREL was Jose Concepcion, Jr., a prominent Manila businessman, and its co-chair was Bishop Antonio Y. Fortich, who is based in the province of Negros Occidental.

NAMFREL's stated purpose is to "harness citizen power in working toward free, orderly, and honest elections by organizing and training volunteers nationwide to monitor the electoral process." To this end, NAMFREL is believed to have mobilized over 100,000 volunteers for the 1984 elections and effectively covered 40-60% of the approximately 90,000 precincts. NAMFREL received a great deal of praise for its work in monitoring the 1984 congressional elections.

On December 24, 1985, COMELEC named NAMFREL as its nationally accredited citizens' arm for the 1986 election. The accreditation gave NAMFREL the authority to place its volunteers in the polling places on election day and in the canvass centers during the counting of the ballots. Prior to the election, NAMFREL conducted training programs for its poll-watchers throughout the country. For the election, the organization mobilized over 500,000 volunteers throughout the Philippines to work on election day.

During the pre-election period, NAMFREL was accused on a steady basis of being partisan in its orientation and its activities. On January 30, 1986, the KBL filed a complaint seeking the revocation of NAMFREL's accreditation on the grounds of partisanship. Although COMELEC did not act on the matter, the KBL complaint again raised the spectre of disaccreditation and gave COMELEC additional leverage by which to obtain NAMFREL's agreement to a simultaneous quick count.

In evaluating charges of NAMFREL's partisanship, the delegation recognized that any organization which sought to prevent fraud in the election must inevitably find itself arrayed against the government, as the government was responsible for such fraud in the past. By definition, then, NAMFREL would be "anti-government," and the issue then would become NAMFREL's conduct during the election. The delegation observed a number of instances in which NAMFREL volunteers exceeded the limits of what might be termed "non-partisan" activity. On occasion, NAMFREL volunteers were observed offering the "Laban sign" -- a hand signal in the form of a "L" -- which was a widely accepted opposition symbol. In other areas, NAMFREL volunteers were singing the "Laban Anthem," another undisputably partisan act. Finally, we noted that in some areas, NAMFREL volunteers were overcrowding some polling stations in violation of agreements reached regarding the number of volunteers permitted in each polling station.

On the whole, however, we must conclude that allegations of massive partisan activity were unfounded. NAMFREL volunteers risked a great deal in the exercise of their constitutional rights, and nearly all did so in a non-partisan fashion. We noted no grounds for the wholesale dismissal of NAMFREL teams in certain provinces and only isolated incidents where NAMFREL volunteers exceeded the bounds of non-partisanship.

3. The Kilusang Bagong Lipunan (KBL)
(New Society Movement)

The KBL was established in 1978, with Marcos as its titular leader. The party competed in the 1978 elections for an Interim National Assembly, the 1980 local elections, the 1981 presidential election and the 1984 Batasang elections. As a result, it had established a well-organized political organization with party workers in all areas of the country.

The party's ideology, as expressed in its national platform, emphasized the need for "stability based on the momentum of national rebirth and achievement." The party platform called for the continued development of the Philippines and also stressed the achievements of the Marcos government over the past eighteen years.

4. The United National Democratic Party (UNIDO)

For the 1986 election, the leading opposition politicians united behind the candidacies of Corazon Aquino for President and Salvador Laurel for Vice-President. Mrs. Aquino represented the PDP-Laban (Pilipino Democratic Party - Lakas Ng Bayan) group which had boycotted the 1984 election; Mr. Laurel was the President of the UNIDO party, which participated in that election.

The agreement to run an Aquino-Laurel ticket was finalized on December 11, 1985, a day before the filing deadline. The ticket was made possible when Mr. Laurel agreed to run as Vice-President and Mrs. Aquino agreed to run under the UNIDO banner. COMELEC quickly recognized the ticket as the Dominant Opposition Party, thus entitling UNIDO to name a poll-watcher in each precinct.

Although UNIDO participated in the 1984 elections, it was not well-organized throughout the country. Further, during the campaign, infighting between the PDP-Laban faction and the UNIDO party in several provinces hindered its ability to organize effectively. The joint ticket also had to define its election reform as the campaign developed; three major addresses by Mrs. Aquino during the campaign set forth the policy goals of the DOP (See Annex XVIII).

5. The Catholic Church

With a population that at least nominally is 80% Catholic, the Catholic Church plays a significant political role in the Philippines. Prior to the election, the Church issued several pastoral letters concerning the February 7 election (See Annex XIX). The letters stressed the duty of the devout to exercise vigilance in ensuring a free and fair election and criticized attempts at pre-election intimidation and vote-buying. For example, the pastoral letter read in all the churches on January 25, 1986 stated: "Do not allow yourselves to be corrupted by money or other immoral considerations into voting or not voting, or cheating for a candidate. Always vote according to your conscience" (emphasis in original).

Although the Church had no direct monitoring role, many priests and nuns were active in NAMFREL and some openly supported the political parties, particularly UNIDO. Many churches organized collections from parishioners for

NAMFREL and helped NAMFREL recruit volunteers. In response to a KBL-inspired complaint, COMELEC issued a resolution warning members of religious organizations against engaging in partisan politics (Res. 1766).

6. The Armed Forces

The Armed Forces of the Philippines (AFP) includes the regular military and the Philippines Constabulary (PC). The primary task of the former is external security, while the latter was established to provide for internal security. In addition, during the past ten years, para-military units have been established, primarily the Civil Home Defense Forces (CHDF). During the past several years, all sectors of the AFP have been criticized for their failure to implement military reform, for their continued human rights abuses and for their increased involvement in political matters.

Concern about the AFP's neutrality during the election led a group of officers who are part of the Reform AFP Movement (RAM), to organize a special program, "Kamalyan 86," for the election. The program was designed to "impart to AFP personnel the significance of an honest, clean, fair and free election" and "to call for public vigilance against fraud and coercion at all stages of the electoral process" (See Annex XX). Although the RAM program was announced with considerable fanfare on January 8, 1986, many army commanders denied the RAM officers access to the soldiers on their bases and generally hindered the development of the program.

7. The New Peoples' Army

The New Peoples' Army is a communist revolutionary movement in the Philippines. Estimates regarding its size vary from 10,000 to 20,000, although all agree that the NPA has grown considerably during the past few years. The NPA's position on the election was to urge boycott, though there appeared to be no organized attempt to disrupt the election through violence and terrorism as had occurred during the 1984 elections.

III. Evaluation of the Electoral Process

As is evident from the content of the Terms of Reference (See Annex V), the sponsors of the mission recognize that an election process includes more than what happens on election day. The ability of political parties and candidates to communicate with voters in a non-intimidating climate is crucial to the conduct of a fair election. The first part of this section reviews the campaign leading up to the election, while the second part addresses the role the media played during the campaign.

A. Political Campaign

In any election, a ruling party has inherent institutional advantages. This is particularly true in a presidential election where one of the candidates is the incumbent president, as was the case in the Philippines. At the same time, election laws often include precise provisions for the conduct of a campaign which seek to balance these inherent advantages.

The Philippines Omnibus Election Code contains several examples of such provisions. The code provides for equal access to the media (Code, Sec. 86), the procurement of time and space in the media (Code, Sec. 92), an accounting of all campaign expenditures (Code, Sec. 105-06) and limitations on how funds may be expended by candidates and parties (Code, Sec. 100-02). In addition, COMELEC adopted several resolutions designed to promote a fair campaign, including those which prohibited the Government, during the campaign, from appointing or transfering public employees (Res. 1735), from appointing or using for political purposes police personnel (Res. 1743), and from distributing public works projects (Res. 1744).

Our evaluation of the campaign is formed, to a large extent, by the provisions of the Election Code, the COMELEC resolutions, and the degree to which they were complied with or ignored by the major institutional actors during the campaign. While we did not expect technical compliance with the very detailed provisions of the Code and the resolutions, the delegation found that in many cases the spirit of the law was ignored completely. Primary responsibility for this failure belongs to the COMELEC (See sections III.A.3-4 infra).

1. Adequacy of the Campaign Period

As noted earlier, a constitutional challenge to the election filed by several individuals identified with the opposition was rejected by the Supreme Court on December 19, 1985. It was after this decision that political campaigning began in earnest. Under Filipino law, the campaign ended at midnight on February 5, 1986 (BPB 883); thus, the effective campaign period was forty-five days.

For the ruling KBL party, the short campaign period was one for which it was unprepared. However, the party had an established and effective political organization which gave it a significant advantage. Further, because Marcos was the dominant figure in the party, there were no divisions within the party over policy. Finally, given the control over the mass media exerted by the Government (see section III.B. infra), Marcos had little trouble communicating his message to voters through television, radio and the major daily newspapers.

For the dominant opposition party (DOP), the short campaign period posed serious problems. Because the DOP had limited access to the electronic mass media, it relied primarily on political rallies for visibility in the different provinces of the Philippines. The short campaign period limited the number of rallies that could be organized; nonetheless, during the course of the campaign, Mrs. Aquino and Mr. Laurel managed to hold rallies in sixty-eight of the Philippines' seventy-four provinces.

2. Political Rallies; Restrictions on Political Campaigning

For the most part, both parties were able to organize political rallies at which the party standard-bearer or other party stalwarts would speak. Rallies generally were festive affairs. Both parties recruited cultural celebrities to participate in their rallies in the hope of attracting additional supporters.

The few problems regarding rallies involved those organized by the DOP. On January 9, for example, local officials cancelled an Aquino rally in Quirino, a Marcos stronghold. Other restrictions on political campaigning involved the harassment and intimidation of individuals, primarily those who supported the DOP in certain regions of the Philippines (See section III.A.3 infra). For example, some individuals feared for their safety if they were seen at an opposition campaign rally.

Notwithstanding the various pressures, the campaign period saw the defection of many local KBL leaders, who had developed strong organizations, to the opposition. On January 10, 1986, for example, Governor Enrique Zaldivar of Antique province resigned from the KBL and announced his support for the Aquino-Laurel ticket. These defections were countered by the defections of some local opposition leaders to the KBL.

3. Political Killings, Arrests and Intimidation

Political violence in the Philippines is endemic, although the exact number of politically motivated killings is hard to pinpoint. According to the recently released U.S. Department of State Human Rights Report, political killings, disappearances and torture by the military, para-military groups (particularly the Civil Home Defense Forces - CHDF) and the New People's Army continued throughout 1985 (See Annex XIV).

In some areas visited by the delegation, the NPA was viewed in benign terms: while the NPA required payment of "taxes," the population did not believe that the NPA resorted to terror tactics except against military police personnel and local political officials who were believed to be mistreating civilians. The U.S. Department of State, however, reported that "increasingly throughout 1985 there were verified reports of NPA intimidation and even killing of civilians who refused to pay revolutionary taxes." Given the NPA's decentralized organization, it is conceivable that in some areas the NPA conducts itself as "Robin Hoods," while in other areas it is using terror tactics.

According to the U.S. Department of State, the military and para-military forces meanwhile continued to summarily execute those individuals believed to be cooperating with the NPA; in addition, the military and CHDF are poorly disciplined, which often led to their random harassment and mistreatment of civilians. For this reason, as conceded by one Brigadier General, the military had been losing the psychological war with the NPA for the "hearts and minds" of the rural population. It is in this context that election-related violence should be understood.

The NPA's official position was to encourage a boycott of the "snap" election, while continuing to organize its forces and to conduct raids on military and police personnel. It was apparently responsible for the killing of some local KBL leaders, although it claimed that these killings were incidental to the election.

Several complaints were filed with the COMELEC by UNIDO regarding military involvement in the campaign. One such complaint involved the province of Antique, where the military allegedly provided vehicles and personnel to accompany a KBL Member of Parliament as he campaigned in the province (See Annex XXI). Other complaints involved intimidation of voters by military forces in certain provinces.

The local CHDF were viewed as being responsible for the more serious attempts at intimidation. While nominally under the control of the Philippine Constabulary, the CHDF are often responsible to the local "strongman" in a particular area, organized officially as bodyguards and known unofficially as "goons." The delegation received reports that the CHDF visited the houses of potential voters prior to the elections in several areas. The message delivered was that a vote for President Marcos would be in the best interest for all involved.

The CHDF were also responsible for one of the more widely reported incidents during the campaign when they attacked the car carrying Mrs. Aquino's sister-in-law as it was driving through Tarlac, the home province of the Aquino family. The car windows were smashed as television cameras recorded the altercation.

More serious than these incidents of intimidation and harassment were the slayings of several local party organizers during the campaign. For example, on January 15, 1986, Jeremias de Jesus, a UNIDO organizer in St. Lucia, Tarlac was killed, apparently by four members of the CHDF. De Jesus had visited the U. S. Embassy the previous day to recount how local leaders and CHDF were telling people in Tarlac to vote for Marcos or not to vote at all.

The army reported a total of forty-seven election-related killings during the campaign. According to the army, the breakdown by the victim's affiliation was as follows: twenty KBL supporters; ten UNIDO supporters, and 17 unidentified. Other monitoring groups reported higher numbers of opposition supporters killed.

While the level of violence from whatever source may have served to intimidate supporters of both parties, it must be stated that intimidation by forces under Government control could have been prevented by issuing the necessary orders and by aggressively prosecuting those guilty of wrongdoing. These actions were not taken.

The overall effect of the intimidation cannot be underestimated; at the same time, its precise effect on the population is difficult to gauge. The delegation encountered many very brave people who, although they had been subjected to some form of intimidation, decided to participate actively in the electoral process in whatever capacity. The willingness of these people to place, in some instances, their lives on the line in support of the democratic process created lasting impressions on all members of the delegation.

4. Improper Campaign Practices

The delegation observed and heard many instances where the provisions designed to curb improper campaign practices and to limit the Government's use of its power to influence the election were violated. The Government distributed massive amounts of money and announced several new programs designed to benefit the citizenry of particular provinces during the campaign.

Further, the delegation heard from credible sources that the KBL pressured Government employees to attend KBL rallies and to otherwise display support for the KBL. The delegation observed firsthand such efforts in the case of employees of the government-owned Manila Hotel. Public transportation was often diverted for the purpose of bringing people to the KBL rallies, despite a COMELEC resolution explicitly prohibiting this practice (Res. 1759). At the KBL's closing rally in Manila on February 5, 1986, for example, rows of public buses could be seen in the street around the park waiting for the rally's conclusion. People attending the UNIDO rally the previous night at the same park in Manila had to arrange their own transportation.

The COMELEC's response to complaints filed regarding improper campaign practices gave credence to the allegations that COMELEC was a less-than-independent institution. With one exception, COMELEC simply referred the matters to local election officials for investigation. It did not appear that the local officials were inclined to pursue the investigations aggressively. Thus, by election day, not one of the complaints filed by UNIDO had been resolved by COMELEC (See Annex XXII).

The one complaint which COMELEC resolved was filed by the KBL concerning the activities of "the heads, supervisors and administrators of religious organizations." COMELEC resolved to remind, enjoin and warn the religious leaders of the Election Code's provision prescribing the coercion of subordinates. (Res. 1766, citing Code, sec. 261(d)). Despite complaints filed concerning and equally clear provisions of the Code regarding: wagers on the election results (Code, 261(c)); improper coercion by public officers or government officials (Code, sec. 261(d)); and the use of armoured vehicles (Code, sec. 261(r)), the COMELEC declined to take any action with respect to these complaints (See Annex XXII).

At the same time, it should be noted that COMELEC did not harass the DOP by investigating bogus complaints against it or by forcing compliance with onerous resolutions. COMELEC's attitude was one of "laissez-faire" toward both parties. Ultimately, however, it must be concluded that a "laissez-faire" policy worked to the benefit of the ruling KBL party, which had far greater assets to use in the campaign.

B. Role of the Media

A major means of communicating with potential voters during any election campaign is through the mass media. This includes free advertising time or space, the purchase of advertising time or space, and the news coverage of the mass media. Also relevant are attempts to restrict the flow of information through a censorship process or through the intimidation of journalists.

The media in the Philippines reflects in several respects the nature of political life in the Philippines, for there is diversity in the print and broadcast media. Further, there were no reports of attempts to censor news coverage or editorials by resort to the legal process.

Notwithstanding this considerable freedom, the KBL had tremendous advantages in its ability to use and benefit from the media. The several television and radio stations owned by the Government were partisan in the extreme towards the KBL. Further, the KBL had considerable funds available for the purchase of television and newspaper advertisements. UNIDO lacked such funds.

Recognizing the importance of the media, the Election Code gave the COMELEC considerable authority to regulate "election propaganda through mass media" and required access to the media on equal terms for parties and candidates (Code, sec. 86). The Code further provided that radio and television "shall not unduly allow the scheduling of any program ... to manifestly favor ... any candidate or political party by unduly or repeatedly referring to ... said candidate and/or party respecting, however,... the right of said station to broadcast accounts of significant or newsworthy events and views on matters of public interest" (Id.).

The mass media in the Philippines includes television, radio and newspapers. Because each type of news medium exhibits significantly different characteristics, they are treated separately below.

1. Television

There are an estimated 3 million televisions in the Philippines for a population of 55 million. Most television owners live in urban areas, with Metro Manila comprising by far the largest aggregation of television owners.

Five stations, with their main studios in Manila, operate in the Philippines. Owned and operated by the Government, Channel 4 is the only station available in many parts of the country. The remaining stations, while nominally independent, were owned by friends of Marcos.

Television news coverage of the campaign heavily favored Marcos. KBL campaign rallies were covered extensively -- often Marcos' entire speech was telecast under the guise of news coverage -- while UNIDO rallies and Aquino's speeches were covered in a minimal or non-existent fashion. COMELEC's unofficial response to the extreme partisanship of the news coverage was to refer to a Supreme Court decision, UNIDO vs. COMELEC, which recognized that, owing to his peculiar position, "the President's activities and pronouncements are given wider coverage than these [sic] of the other candidates." (See Annex XXIII, point 5).

UNIDO filed a complaint with the COMELEC regarding partisan news coverage against Channel 4 and a second station on January 9, 1986. The complaint focused on the coverage of the respective KBL and UNIDO nominating conventions. Despite several hearings on the matter, COMELEC declined to rule on the complaint prior to the election.

While the stations made available one minute spots for purchased advertisements by each of the major parties, the stations declined to sell "bloc" time (i.e., a half-hour to an hour of time) to either party. The stations responded to the UNIDO requests for bloc time by noting that "existing policy...prohibits the sale of airtime for political programs. This policy has been adopted to avoid disruption of our regular programs which are already doing well in the ratings" (See Annex XXIV). UNIDO complained that this allegedly neutral policy served to benefit the KBL, which did not need to purchase "bloc" time since

President Marcos' speeches and pronouncements were repeated verbatim in the context of news broadcasts. With respect to the one-minute advertisements, UNIDO was forced to petition the Movie and Television Review and Classification Board before its paid commercials could be shown on television.

Although COMELEC did not respond to UNIDO's equal access complaint, it implemented a schedule for "COMELEC time" pursuant to section 92 of the Election Code. "COMELEC time" is time procured by the COMELEC for use by the major political parties to discuss their respective campaigns. COMELEC time began on January 13 and continued until the end of the campaign. Between 4:00 and 6:30 p.m. a half-hour was made available each night on one television station either to the KBL or UNIDO. The COMELEC time was distributed equally throughout the campaign; however, given the time slot and the limited amount of time made available, it did not balance the KBL's tremendous advantage resulting from the television news coverage.

2. Radio

Radios are available throughout the Philippines and provide the most accessible source of information for many parts of the country. Over 130 radio stations operate in the Philippines. Although most radio stations were owned by the Government or friends of Marcos, there also were several radio stations, including the Church supported Radio Veritas, which were antagonistic to Marcos. During the campaign, the news coverage of the various stations reflected their partisan inclinations.

As a result of the partisan nature of radio stations and the fact that a listener had choices available, there were few complaints regarding radio coverage of the campaign or access to radio. Despite it being authorized by the Election Code, no COMELEC time was made available on radio stations.

3. Newspapers

The Philippines has an extremely literate population: it is estimated that close to 90% of the adult population can read. Thus, newspapers and magazines are an important source of information.

There were six daily newspapers being distributed nationwide prior to the election. They included the pro-government Bulletin Today, Times-Journal and Daily Express and the opposition-oriented Malaya, Phillipine Daily Inquirer and The Manila Times. In addition, there were two widely circulated pro-opposition weekly magazines, Mr. and Ms. and Veritas. The opposition newspapers and magazines began publishing only after the assassination of Benigno Aquino in 1983 (The Manila Times reappeared two days before the election), although each reported growing circulations.

Without making a comparative substantive evaluation of each newspaper's coverage of the news, it was evident that the coverage in each paper reflected its partisan inclinations. Thus, the same story might appear on page one in the pro-government newspapers and be buried in the back pages of pro-opposition newspapers. Similarly, the headline accompanying a story reflected the partisan inclinations of each newspaper. As was true with radio, given the availability of newspapers reflecting different views there were no formal complaints regarding the news coverage of the newspapers. Nor did either party request that "COMELEC space" be procured for use by the major parties.

UNIDO, however, complained about the advertising policies of the three pro-government dailies. The papers required UNIDO to submit the copy of its advertisements to a censorship board established to review the contents of movies. Although the Board ultimately approved the advertisements, UNIDO alleged that the censorship process was unwarranted and caused unnecessary delays.

The fear of libel suits among pro-opposition newspapers was a real one. Two suits were filed during the campaign against newspapers which reprinted news articles from the foreign press regarding Marcos' hidden wealth and war record. Lawyers believed these suits represented a not so subtle attempt to shut down the newspapers. The cases were put on hold during the campaign.

4. Foreign Press

The foreign press played a considerable role in the electoral process. Foreign journalists were well-represented at official press conferences and were responsible for much of the investigative reporting during the campaign. Articles printed in foreign newspapers or magazines were often reprinted in the local newspapers, either as news or as advertisements. The foreign press also led an unsuccessful attempt to rescind the rule restricting the media to remaining at least fifty meters from the polling sites (Res. 1747, See Annex VIII).

The U.S. telvision networks, in particular, were a significant factor during the period leading up to the election. Marcos' decision to schedule a "snap" election was announced on U.S. television. The incident in Tarlac involving Mrs. Aquino's sister-in-law was filmed by a photographer from a U.S. network. One U.S. network brought its election specialists to the Philippines for the purpose of projecting the outcome on election night. Finally, an attempt to arrange a debate between Marcos and Aquino on

U.S. television the night before the election was scratched only after the COMELEC ruled such a debate would be contrary to the provisions of the Election Code (Res. 1769).

C. Summary

Ferdinand Marcos and the KBL had significant institutional advantages during the campaign. While some advantages were attributable to his incumbency and the disorganization of the opposition, others were the result of the Government acting in a manner contrary to the Election Code and the unwillingness of the COMELEC to ensure compliance with the Code's requirements. Finally, Marcos benefited from the partisan government-owned and influenced television and radio media, though the opposition did have reasonable access to alternative media (radio and print) with the exception of television.

IV. Administration of the Election -- Pre-Election Phase

The advance delegation reported on preparations for the election up to January 10, 1986. Upon arrival in the Philippines, the delegation reviewed those matters which the advance delegation had advised warranted particular consideration.

A. Voter Registration

All Filipinos over the age of 18 are both qualified and required to register and to vote (Code, sec. 54). In 1984, there were 24 million voters, 88.7% of whom voted. Those who registered in 1984 were not required to register again for the February 7 election (Code, sec. 113). Registration for new voters, which was initially scheduled for December 21 and 28, 1985 (BPB 883, sec. 6), was held on December 28 and 29, 1985.

Two problems evolved from the registration process. First, the requirement that four photographs be produced by a registrant (Code, sec. 126) was viewed as onerous. The UNIDO challenged the requirement before the COMELEC and the Supreme Court. The latter upheld the requirement on January 27, 1986, eleven days before the election; the Court ruled, however, that those who registered without submitting the four photographs could be included in the voters lists if they submitted photographs before February 5.

The effect of the photograph requirement is reflected in figures from Tarlac province, where 5,000 applications for registration were submitted on the registration days but only 400 were accompanied by photographs. Even after the Supreme Court decision, only 200 additional individuals submitted the requisite photographs before election day.

COMELEC reported a total of slightly more than 26 million registered voters as of February 7, or an increase of approximately two million voters from 1984. COMELEC officials acknowledged that the number of registered voters was significantly less than they had anticipated.

The second problem concerned fraudulent registration, particularly voters who were registered under different names in different constituencies (i.e., flying voters). During the advance delegation's visit, COMELEC officials acknowledged that this was a genuine and serious problem and appeared committed to tackling the problem -- at least in showcase areas such as Makati, a city in the Metro Manila area.

In the end, COMELEC conceded that it had been unable to deal with the problem in a meaningful manner. A COMELEC official indicated that resolution of the problem would have required initiating an entirely new voter registration process in some areas. Given the time available before the snap election such a process, he claimed, was impractical.

Attempts by the political parties to purge the voter lists through the courts also proved difficult. In Makati, UNIDO organized groups of attorneys to file exclusion cases against hundreds of "flying voters". However, with a few exceptions, the courts refused to rule on the petitions in a timely fashion.

B. Preparation of Election Materials

COMELEC began preparing materials for the election, including ballot boxes, ballots and the election return sheets, soon after the election was scheduled. However, because of the serious mistrust felt toward the COMELEC, the parties and NAMFREL exercised considerable vigilance over the preparations process.

During the week before the election, there were rumors of blank ballots and election returns being prepared. While it would have required considerable effort to evade the audit process established, it certainly was not impossible. However, the delegation was not presented with first-hand evidence supporting the rumors.

A second problem concerned the indelible ink. A truly indelible ink was a crucial safeguard to prevent multiple voting by flying voters. In 1984, the ink obtained was easily removed.

NAMFREL officials initially alleged that COMELEC delayed in obtaining a formula for a truly indelible ink. However, prior to the election, NAMFREL officials appeared satisfied that the ink being produced would be indelible. Unfortunately, in some areas, this turned out not to be the case (See section V.B.2 infra).

A final problem concerned preparation of voter lists, which would include both the 1984 and the subsequent registrants. Although scheduled to be ready by January 15, 1986, in many areas they were not ready until immediately before the election. As a result, they could not be reviewed by parties and voters; also COMELEC did not announce the exact number of precincts established for the election until less than a week before election day, when it announced there would be 85,938 precincts operating. The delay contributed to a major problem which developed on election day (See section V.B.1 infra).

C. Distribution of Election Materials

Given the geographic diversity of the Philippines, perhaps the most impressive aspect of the process was COMELEC's ability to distribute the election materials with sufficient lead time to provinces throughout the country. Local election officials told members of the delegation that the materials were in their possession a week prior to the election. As a result, there were fewer delays in opening the polling sites than would be expected on election day.

V. Election Day Observations

The conduct of the election varied considerably in the different provinces of the Philippines, and within individual areas in these provinces. We must note that the large majority of cases, the balloting was routine with no or minor irregularities evident during our observations. However, each team reported a steady pattern of abuse and irregularity in a minority of sites which suggested that the incidence of fraud and malpractice was widespread. Further, the compilation of these team reports leads to the conclusion that there was a nationwide attempt to affect the outcome of the vote by manipulation and abuse of the electoral procedures.

Pursuant to a COMELEC resolution, international observers were prohibited from entering within fifty meters of a polling site (Res. 1747). However, a COMELEC official told the delegation that local COMELEC officials were authorized to invite observers inside the polling site.

Several members of the delegation accepted such invitations and thus were able to observe the balloting process inside the building where voting was taking place. In other instances, members of the delegation remained outside the building but within fifty meters and were able to observe the process in an unobstructed manner. Finally, in a few instances, members of the delegation were asked to leave an area near the polling site.

The first part of this section briefly describes the balloting process as it was designed to be carried out by law. The second part describes several of the major problems that developed on election day.

A. The Balloting Process

Voting began at 7:00 a.m. in most of the over 85,000 precincts established for the election. Approximately 300 voters were assigned to each precinct. The precincts were located in public buildings, most often schools.

Each precinct was administered by a Board of Election Inspectors (BEI), which included two teachers and two individuals designated by the KBL and UNIDO, respectively. In addition to the members of the BEI, those permitted access to the polling place during voting hours included the poll-watchers designated by the parties, the NAMFREL poll-watchers and one other poll-watcher designated by other citizen groups. As is discussed below, access to the polling site was denied in some areas to UNIDO and NAMFREL poll-watchers.

The actual voting process took longer than anticipated. In theory, each voter was required: 1) to show that they had not previously voted; 2) to sign four voting lists and place thumbmarks on each of the voting lists; 3) to mark the ballot behind an enclosed booth (the voter was required to write the name of the selected candidates on the ballot); 4) to return the ballot to the chair of the BEI; 5) to place a thumbmark on the ballot; and 6) to have his or her forefinger marked with the indelible ink. The ballot, meanwhile, was placed in the ballot box, while the counterfoil was placed in a separate compartment of the ballot box.

In practice, the BEI did not always follow the prescribed procedures. This reflected the fact that some procedures were used for the first time in this election and the fact that members of the BEI sought to expedite the procedures. These technical adjustments by the BEI did not necessarily encourage or permit the commission of fraud.

One election day problem involved voting by military personnel. In previous elections, military personnel voted on their bases. However, the new election code proscribed voting on military bases (Code, sec. 155) and the COMELEC sought to enforce the proscription. To prevent disenfranchisement of the military, the COMELEC -- two days before the election -- authorized the military to vote in the polling place nearest their assignment (Res. 1768).

Commissioner Felipe dissented, noting that there was no provision in the Election Code authorizing the procedure adopted and that the procedure could open the door to floodgates of "flying voters."

UNIDO filed an emergency petition with the Supreme Court, which issued an interim order on the morning of the election. The Court deferred ruling on the substance of the petition, but authorized voting by military personnel so long as they went to a polling site in civilian attire and presented an order as evidence of their assignment to the region. The BEI was instructed to count votes cast by the military separate from the regular votes. As can be imagined, this last-minute ruling caused considerable confusion at the precinct level.

Polling sites were scheduled to close at 3:00 p.m. However, as was authorized by the Election Code, members of the delegation observed several polling sites which remained open past 3:00 p.m. to give those waiting in line an opportunity to vote.

Following the closing of the polls, the ballots were counted and recorded on an Election Return. The original Election Return was sent to the municipal or city Election Registrar, while copies were placed in the ballot box, sent to COMELEC in Manila, and distributed to the representatives of the KBL and UNIDO. In addition, pursuant to an agreement with COMELEC, each member of the BEI was required to sign NAMFREL's Precinct Tally Form, which included results from a particular precinct and served as the basis for the NAMFREL "Quick Count." In most areas observed, counting at the precinct level was completed by 6:00 p.m.

B. Problem Areas

Prior to the election, a member of the Reform AFP movement told members of the delegation that the ruling party was concerned that the race was closer than expected. Having expected to face a divided opposition, the KBL found itself facing an Aquino-Laurel ticket which had gained momentum throughout the campaign. Thus, on the eve of the election, KBL leaders may have panicked and ordered the local leaders to get as many votes for Marcos as was possible. For some local leaders, this meant sending out the goons and reporting statistically improbable vote totals favoring the Marcos ticket. Whatever the rationale, election day problems were pervasive, as described below.

1. Disenfranchisement

In virtually all areas, members of the delegation heard complaints from voters who were not included on voter lists. In some instances, voters had been reassigned to a new polling site without being informed, while in other instances they were left off the voting lists entirely. Although at first glance, the problem appeared to be administrative, careful review of the voting figures raised the suspicion that the voting lists were manipulated to benefit the ruling party.

According to NAMFREL's analysis, close to 3.5 million voters were disenfranchised (See Annex XXV). NAMFREL based its estimate on the fact that in 1984, despite a well-organized boycott, 89% of those registered to vote cast ballots. Assuming a similar turnout in 1986, it would be expected that 23.4 of the 26 million registered voters would cast ballots. However, according to both the results reported by the Batasang and the results projected by NAMFREL, only 20 million ballots were cast. In other words, turnout for this election was only 76%, significantly less than 1984.

For the most part, disenfranchisement appears to have occurred in opposition-oriented areas. According to NAMFREL, in the ten cities which had the highest voter turnout, the winner was the ruling party, while in the ten cities and provinces which had the lowest turnout, the opposition was the winner in eight of the ten (See Annex XXVI).

Even more striking is that in the seven cities or provinces where turnout is above 90%, the ruling party won between 85 and 99.4 per cent of the votes with an overall winning percentage in these areas of 94% (See Annex XXVII). Similarly, in the eight cities and provinces where the ruling party won by a margin of 150,000 votes or more, the turnout ranged between 82 and 96 percent (Id.). On the other hand, in areas where the opposition's margin of victory was greater than 50,000, the turnout ranged between 71 and 81 percent (Id.).

The delegation was unable to investigate how such massive and targeted disenfranchisement was accomplished. The UNIDO provincial coordinator in Eastern Samar, however, reported that the KBL conducted a census prior to the election throughout the province. "Those known to be sympathetic with the opposition candidates were deleted from the voter's lists and included, if at all, in far away voting centers" (See Annex XXVIII). The result, according to the UNIDO coordinator, was that only 97,444 votes out of 149,00 votes were cast in the province; Aquino won the province by 10,000 votes.

2. Indelible Ink

As discussed earlier, COMELEC was unable to purge the registration lists of flying voters prior to the election day. Thus, the only safeguard against multiple voting by individuals registered under more than one name was the use of indelible ink.

Several members of the delegation observed that the ink was easily wiped off by voters following its application. Also at some polling sites, the election administrators did not appear to be checking voters' fingers prior to handing them ballots. Thus, it was possible for an undetermined number of voters to cast more than one ballot on election day, particularly in areas where UNIDO and NAMFREL were not well-organized.

3. Vote-buying

Virtually all members of the delegation observed or were told by credible sources that voters were being paid money on election day for the purpose of encouraging a vote for the Marcos-Tolentino ticket. The amount of such payments varied from 25 to 500 pesos. In many instances, voters were given the money as part of the traditional election day practices. Some voters acknowledged receipt of such money, but claimed to have voted the Aquino-Laurel ticket anyway. In this respect, the voters were following the pastoral letter of the Catholic church, which advised Filipinos "to vote their conscience" (*See* Annex XIX).

While the secrecy of the ballot served to allow some voters to take the money and vote for Aquino, the UNIDO coordinator in Eastern Samar reported that at some polling sites, the ballots were opened by the chair of the BEI before being deposited in the ballot box (See Annex XXVIII). If the voter had written Marcos on the ballot, the BEI chair would signal the Barangay captain, who would then pay the voter as he or she left the polling site.

In some areas, mechanisms were designed to ensure that those receiving payments actually voted for Marcos. Members of the delegation were given a copy of a sample ballot which had Marcos-Tolentino written on it. Beneath the sample ballot was a sheet of carbonized paper. The voter was instructed to take the sample ballot into the voting booth, to place the real ballot between the sample ballot and the carbon paper, and to trace the sample ballot onto the real ballot. The real ballot would be deposited in the ballot box and the carbon paper would serve as a receipt for payment of money.

4. Intimidation

According to the Army, a total of 80 individuals were killed on election day and on the day after in election-related incidents. This includes two NAMFREL workers, one who was killed in the province of Capiz and a second who was killed by "unidentified killers" after challenging the anomalous counting of ballots in the province of Agusan del Sur. This type of violence, given the fact that it occurred on election day, could well have intimidated voters and election officials.

With regard to other forms of intimidation, several members of the delegation saw individuals in military uniform, or otherwise armed, well within the fifty meters proscribed by the Election Code. Members of the delegation also received credible reports regarding NPA attempts to "encourage" a boycott of the election by warning teachers not to appear at their usual precincts on election day.

The most serious form of intimidation observed by members of the delegation was that practiced by the CHDF in provinces and cities with a local strongman, including Negros del Norte, Tarlac, and Makati. In these areas, the CHDF were responsible for threatening voters and opposition poll-watchers with guns, poles or by their mere presence. They also were responsible for snatching and stuffing ballot boxes (See Annex XXIX). The delegation also heard reports of activities by CHDF in other provinces, which involved less blatant, but also improper, attempts to coerce and threaten voters into supporting the ruling party candidates.

5. Exclusion of NAMFREL from Polling Sites

The presence of NAMFREL was viewed as an important safeguard for the conduct of a credible election. To ensure that NAMFREL accreditation would not be arbitrarily revoked by local officials, COMELEC and NAMFREL agreed before the election that NAMFREL's accreditation could not be withdrawn unless prior notice was provided to the COMELEC and NAMFREL, and the latter was given an opportunity to designate substitute officials.

On election day, NAMFREL poll-watchers were excluded completely from four provinces: Antique; Isabela; Negros del Norte; and Quirino. The basis for the exclusion was the alleged partisanship of the NAMFREL workers (See Annex XXX). NAMFREL's complaints to the COMELEC on election day regarding the alleged violation of the agreement went unheeded.

In addition to the province-wide exclusion of NAMFREL, NAMFREL watchers were subjected to various forms of physical intimidation. In Makati, for example, NAMFREL pulled out its volunteers because of the extensive harassment (See Appendix I). Whatever the merits of this decision as a tactical matter, it reflected the difficult circumstances under which NAMFREL operated. In addition to the two deaths mentioned above, NAMFREL reported over a hundred incidents in which its volunteers were injured by "goons", local KBL officials or the CHDF (See Annex XXXI).

In part, as a result of these activities, NAMFREL was unable to cover as many precincts as it had anticipated. This affected NAMFREL's ability to obtain vote totals from close to 30% of the established precincts.

VI. Counting Phase

Despite the irregularities observed during the balloting process, the delegation was hopeful that the counting process might provide some means of redress for irregularities which occurred during the balloting. Unfortunately, this proved not to be the case. Once again, serious problems developed concerning all aspects of the count, leaving the delegation with no choice but to conclude that the "official" results announced by the Batasang on February 15th were wholly unreliable. The first part of this section provides a chronology of developments relating to the vote count, the second documents the specific problems which developed during the count, and the third covers other election-related developments which occurred during the week following the election.

A. Chronology

Following the counting of the ballots at the precinct level, two procedures were followed. The first involved the joint COMELEC-NAMFREL "Quick Count", while the second led to the "official" proclamation by the Batasang. Both procedures are described below.

1. Operation Quick Count

After considerable discussion, COMELEC and NAMFREL reached an agreement on February 5, 1986 regarding the conduct of parallel and coordinated operation quick counts (See Annex XXXII). The agreement called for a NAMFREL volunteer to carry the fourth copy of the Election Return, and the NAMFREL Precinct Tally Form (PTF) (See Annex XXXIII), to the municipal election registrar; the registrar would verify the data on the Election Return with the data on the PTF and then sign all the forms. The NAMFREL representative then would transmit the information included on the PTF by telex or telegraph to the COMELEC tabulation center (PICC) and to the NAMFREL tabulation center at LaSalle Greenhills. The agreement specified that only hard copy, which included the actual PTF, telexes or telegraphs, could be tabulated.

The purpose of this elaborate procedure was "the speedy and accurate tabulation and dissemination to the public of the election results" (See Annex XXXII). However, according to the NAMFREL Executive Council, the procedures served to slow down considerably NAMFREL's attempt to conduct a Quick Count (See Annex XXXIV). First, the late date at which the agreement was reached (36 hours prior to the election) meant that many local election officials and NAMFREL volunteers were unaware of the new procedures established. Second, NAMFREL alleged that some members of the Board of Election Inspectors refused to sign the PTF and that many Election Registrars were unavailable to review and to verify the documents. Third, at the last minute, COMELEC ordered that telegrams be transmitted through only one company, thus creating considerable backlog.

Notwithstanding the delays and mutual recriminations, COMELEC and NAMFREL proceeded with their parallel, but no longer coordinated, quick counts. By Sunday evening, forty-eight hours after the polls closed, COMELEC had tabulated results from 28.2 per cent of the precincts, while NAMFREL had tabulated results from 46.2 per cent of the precincts. The results reported by COMELEC and NAMFREL, however, differed significantly. According to the COMELEC count, Marcos was leading by 150,000 votes, while NAMFREL reported Aquino leading by 750,000 votes (*See* Annex XXXV).

On Sunday evening, over fifteen computer technicians walked out from the PICC tabulation center. Several members of the delegation attended a press conference in a Manila church, which began at 1:30 a.m. Monday morning. The group's spokesperson said that the technicians left the Center because their professional integrity was being compromised. They claimed to have brought with them computer data which indicated that COMELEC was skewing its results by not reporting returns from areas in which the opposition was winning (*See* section V.B.5 *infra*).

The COMELEC and NAMFREL "Quick" counts proceeded throughout the week following the election. Annex XXXVI provides a comparison of the two counts on a daily basis. The considerable variance reported on a daily basis further convinced the delegation that some form of manipulation was occurring.

The delegation reviewed and observed NAMFREL's tabulation procedures. In addition to its initial quick count, which was based on vote totals sent to NAMFREL headquarters by telex and telegraph, NAMFREL reentered all the precinct totals into its computers once it received the original precinct tally form from its provincial supervisors. In this way, it managed to identify those totals which had been misreported through the telex or telegraph reporting process.

NAMFREL completed virtually all of its count on Monday, February 17, 1986; with a total of 69.03 percent of the precincts tabulated, NAMFREL reported Mrs. Aquino with 7,502,601 votes and Mr. Marcos with 6,787,556 votes, a difference of 715,045. The delegation is convinced that the NAMFREL results accurately reflect the count at the precinct level. NAMFREL's inability to tabulate more than 70% of the precincts was a result of the following factors: 1) the lack of an organization in some areas, either due to lack of interest or intimidation by ruling party supporters; 2) the exclusion of NAMFREL from certain provinces and precincts on election day; and 3) the unwillingness of local officials to provide NAMFREL volunteers with signed copies of the PTF.

2. The "Official" Count

Under the Election Code, the official proclamation by the Batasang is based on "certificates of canvass" from 74 provinces, 47 chartered cities and 19 districts in Metro Manila. The certificates were prepared in the following manner. In the case of chartered cities and districts in Metro Manila, following the count at the precinct level, the original Election Return were taken to a city "canvassing" center. The returns were canvassed by a Board of Canvassers, which included a COMELEC official, two school administrators, and representatives of the KBL and UNIDO. In general, the city Boards of Canvassers were able to complete their task in an expeditious manner, although serious problems developed in some city centers.

In cases of municipalities, the Election Returns were gathered by the Municipal Election Registrar, who would then transport the Returns in a locked ballot box to the provincial "canvassing" center in the provincial capital. The process of collecting Election Returns from outlying precincts in a given municipality often delayed matters considerably. Thus, while the counting at the precinct level generally was finished by 6:00 p.m., the local BEI often did not bring the Election Return to the Municipal Election Registrar until sometime on Saturday. In many instances, the Municipal Election Registrar waited until Sunday before traveling to the provincial capital. As a result, many of the Provincial Canvassing Boards did not complete their work until late Sunday or Monday.

To ensure against wholesale fraud (that is, manipulation of the vote totals after the balloting), the Philippines Election Code contained safeguards designed to ensure the integrity of the Certificates of Canvass prepared at the provincial and city canvassing centers. These safeguards included: 1) the presence of party observers, NAMFREL, the Integrated Bar of the Philippines and others during all phases of the canvassing process; 2) the ability of the party observers to challenge particular election returns that appeared to have been tampered with; 3) the requirement that each member of the Board of Canvassers sign the Certificate; and 4) that the Certificate be placed in an envelope and sealed in a prescribed manner before it is transmitted to the Batasang.

The delegation was unable to observe the canvassing process to completion in most of the provinces. However, members of the delegation observed that in numerous instances Certificates of Canvass presented to the Batasang were challenged either because a complaint pending before COMELEC alleged a "failure of election" (See section VI.B.1 infra), or because the Certificates on their face were not in compliance with prescribed procedures.

The Batasang met to begin receiving the Certificates of Canvass on Tuesday, February 11, 1986. The UNIDO party sought to delay the Batasang's count until all challenges were resolved. However, the KBL-dominated Batasang proceeded with the count, allowing each side to register their objections. UNIDO filed objections to the certificates from virtually all provinces and cities (See Annex XXXVII). Among the grounds for objection were the following: no seal or improperly sealed (79); no signature by the representative designated by UNIDO (22); erasures and alterations (42); and statistical improbability (6). (Id.)

The Election Code provides that:

> When it appears that any Certificate of Canvass or supporting statement of votes by polling places bears erasures or alterations which may cast doubt as to the veracity of the number of votes stated therein, the Batasang Pambansa upon request by the Presidential or Vice Presidential candidate

> concerned or his [sic] party shall for the sole purpose of verifying the exact number of votes cast for the President or Vice President, count the votes as they appear in the copies of the Election Return provided to the Commission. For this purpose, the Speaker shall require the Commission to deliver its copies of the election returns to the Batasang Pambansa (Code, sec. 19).

As the delegation understands this provision, once a candidate challenges a Certificate of Canvass, the Batasang should attempt to verify the results reported by comparing the certificates with the Election Returns.

Notwithstanding this explicit provision and despite UNIDO objections, the Committee appointed by the Speaker added the totals for each candidate upon receipt of all 140 Certificates, and prepared a report for the Batasang (*See* Annex XXXVIII). The opposition members of the committee refused to sign the report, but it was accepted by the Batasang, and at 11:27 p.m. on Saturday, February 15, Ferdinand Marcos and Arturo Tolentino were proclaimed the winners of the election (*See* Annex XXXIX).

B. Problem Areas

Problems relating to the counting of votes occurred during all phases of the process. Some of the more egregious examples of the fraud that occurred are described below.

1. Misreporting of Results

The initial count was conducted by the Board of Election Inspectors at the precinct level. However, in some instances, votes cast for Mrs. Aquino were not counted. For example, two members of the delegation were present at the provincial canvassing center in Ilocos Sur. In one precinct, the result announced was 147 for Marcos and zero for Aquino, despite the fact that an Aquino supporter present at the canvassing center claimed that he and two brothers voted for Aquino. All told, eight precincts observed by members of the delegation in Ilocos Sur reported 100 % turnout and 100 % for Marcos, which meant that in each case the designated UNIDO representative on the BEI voted for Marcos.

2. Statistical Improbability

In addition to the above incident, the members of the delegation observed or heard reports of several other areas where the results reported from a particular municipality or city appeared statistically improbable, given the overwhelming margin for Marcos. For example, in two municipalities in the province of Lanoa del Sur, Marcos vote totals ranged from five to seven thousand while Aquino received zero. Further, in several provinces where Marcos scored overwhelming margins of victory (i.e., in the 90% or more range), voter turnout was extraordinarily high (See Annex XXVII).

3. Ghost Precincts

The advance delegation reported the possibility that precincts not designated by COMELEC would be established on election day and report fictitious vote counts. Following the election, members of the delegation were presented with strong evidence that such "ghost precincts" were in fact established.

In the Southern Leyte municipality of Sogod, for example, COMELEC authorized the establishment of 55 precincts. However, Election Returns for 58 precincts were presented to the provincial Board of Canvassers. According to the KBL representative to the Board, the three additional precincts were the result of "splitting of precincts" prior to the election day. However, while the vote in the 55 designated precincts was 6,371 for Marcos and 5,876 for Aquino, in the three ghost precincts the vote total was 900 for Marcos and nine for Aquino (See Annex XL). All told in Southern Leyte, UNIDO alleged that 33 ghost precincts were established and that these precincts reported an over 90% margin for Marcos; in the province's other 638 precincts Marcos' margin was 52.7% to 47.3% (See Annex Id.).

4. Exclusion of UNIDO from Canvassing Process

In several regions, the UNIDO representative or watcher was improperly excluded from the canvassing process. For example, in the province of Maguindanao, after the UNIDO representative on the Board of Canvassers left for a doctor's appointment, the Board appointed a relative of a government minister to replace her. By the time she returned, the canvassing process was complete. UNIDO representatives also complained that the individuals assigned to guard the election returns were threatened by armed men and forced to leave the provincial capital during the count (See Annex XLI). The results reported in the Batasang from Maguindanao were 180,000 for Marcos and 57,864 for Aquino. In Negros Del Norte and other provinces, UNIDO representatives and others were intimidated by goons, and when they left, KBL supporters were appointed to the Board of Canvassers (See Annex XLII).

5. Discrepancy Between COMELEC/Batasang and NAMFREL Results

As noted earlier, the delegation is convinced that the results reported by NAMFREL are reliable, particularly when compared to the results reported by COMELEC. The walkout at the COMELEC Tabulation Center by the computer technicians lends support to this conclusion, but no statistical evidence. (An analysis of Batsang and NAMFREL figures follows.) During the week following the walkout, the group's spokesperson, Linda Kapunan, provided the details of events which sparked the walkout (See Annex XLIII).

According to Ms. Kapunan, the workers began noticing that the numbers on the keyboard printouts were not consistent with the numbers appearing on the public tabulation board. In addition, Ms. Kapunan saw the head of the tabulation center, Pedro Baraoidan, conferring with several individuals and computing figures on a hand calculator, adding to her suspicions. She claimed that the decision to walk out was made over a period of time and after several consultations, and that the group's primary concern was their professional reputations.

In response, Mr. Baraoidan stated that there had been no attempts at manipulation (See Annex LXIV). He acknowledged that a new systen was implemented Saturday evening to speed up the counting and that the system's people were not informed of the change; he claimed that the implementation of the new system explained the "inconsistencies." Baraoidan further charged that the walkout was pre-planned, as evidenced by the presence of hecklers and a large media contigent. He also claimed that the group may have attempted to paralyze the system from the start but that he was unable to prove that charge. Nonetheless, the walkout did stop the COMELEC tabulation for a period of hours as the group which left took the program and data disks and security codes on their computers before leaving.

COMELEC appointed a three-person committee to investigate the matter. Members of the walkout group were in hiding and were unwilling to meet with the Commission members, although Ms. Kapunan gave several interviews to pro-opposition newspapers. Relying on Dr. Baraoidan's affidavit, the Committee concluded "that the walkout appears to have no solid basis because [the group's] premise was based merely on assumption, to quote that [we] sensed something 'fishy,' which to our mind is more a product of imagination than real" (See Annex XLV). The Catholic Bishops, on the other hand, praised the "COMELEC computer technicians who refused to degrade themselves by participating in election fraud" (See Annex X).

The results reported by the Batasang for several provinces are inherently inconsistent with those reported by NAMFREL. For example, in Ilocos Norte, the Batasang reported Aquino to have received 718 votes with 99% of the precincts tallied; NAMFREL's figures with 29% of the precinct tallied indicate that Aquino received 1,937 votes. According to an analysis of NAMFREL data prepared by the Center for Democracy, 13 provinces evidence discrepancies of this sort with Marcos losing 75,739 votes and Aquino losing 171,183 (See Annex XLVI).

The discrepancies were the result of several factors. First, in some cases the vote totals from a particular precinct recorded on the Certificate of Canvass were inconsistent with the Precinct Tally Forms collected by NAMFREL, suggesting some tampering of the Election Return before it was submitted to the Board of Canvassers. Annex XLVII shows numerous such discrepancies in the Province of Lanao Del Sur.

Second, vote totals for some precincts may not have been included in the Canvass due to challenges, and in other instances ghost precincts were included in the Canvass. The Center for Democracy reports 1103 precincts authorized but not tabulated by the Batasang, and 161 precincts tabulated by the Batasang, although not authorized (See Annex XLVIII). Finally, given the fact that the Certificates were tabulated in instances where the procedural safeguards were not complied with, it is possible that substitute Certificates were presented to the Batasang (See Annex XXXVII).

As noted earlier, the NAMFREL count, although limited to 70% of the Precincts, is more reliable. In part, the failure to tabulate the remaining 30% is a result of the harassment and intimidation directed at NAMFREL in certain areas. In many of these areas a failure of election should have been declared (See section VI.C.1 infra). In any event, the NAMFREL figures for the 70% counted appear the most reliable indicator of the popular will of the Filipino people as based on the February 7 election.

C. Developments During the Week Following the Election

Simultaneous with the vote count, there were several developments relating to the election which bear on the delegation's evaluation of the process. This section describes these developments.

1. COMELEC's Handling of Post-Election Complaints

In the aftermath of the election, both parties filed complaints with COMELEC regarding the conduct of the election. The UNIDO complaints focused on those areas where intimidation had been particularly bad and requested the COMELEC to declare a "failure of election" for those areas. Annexes XLI, XLII, IL contain the petitions or supporting affidavits filed by UNIDO in Maguindanao, Negros del Norte, and Cadiz city, respectively.

The KBL complaints appeared to be filed in response to the UNIDO complaints so as to ensure that an even-handed resolution of all the complaints would not harm the KBL cause. The KBL alleged, inter alia, intimidation, massive vote buying, and a conspiracy between "the communist NPA, the Opposition Party and NAMFREL" to prevent KBL supporters from voting (Res. 1775, included as Annex L).

Initially, COMELEC declined to act on the complaints concluding that once the Batasang met, the Batasang was responsible for handling all such complaints (Res. 1774). Since the Batasang only tabulated the Certificates and refused to consider the complaints, the UNIDO's remaining alternative was to appeal to the Presidential Election Tribunal (PET), which was also partisan in favor of Marcos.

On February 13, two days after issuing its resolution declining to consider party complaints, COMELEC issued a further resolution which: (1) listed all the KBL complaints; (2) indicated that if a complaint were substantiated, COMELEC would recommend to the Batasang that the Certificate of Canvass be excluded; and (3) requested that the political parties refrain from "airing their complaints to the media before" the COMELEC had an opportunity to act (Res. 1775, see Annex Id.). COMELEC further reported that its field officials urged that NAMFREL's accreditation be revoked in view of their partisan activity during the election. By the time the

Batasang issued its official proclamation, COMELEC had not resolved any of the complaints and the UNIDO attorneys appeared disinclined to challenge the Batasang's proclamation before the PET.

2. Reprisals

Annex LI contains a breakdown of election-related casualties reported by the army as of February 18, 1986. Following the election, there were increased reports of reprisals against UNIDO workers. Those targeted included individuals who joined the UNIDO party during the campaign and those who campaigned actively for the UNIDO ticket despite the presence of a KBL strongman.

The most publicized incident involved the assassination of Enrique Javier, a former Governor of Antique. He was killed outside the provincial capital, which he had just left after observing the canvassing of votes. During the campaign, Javier complained several times to COMELEC regarding the intimidation and the use of the military by KBL strongman Arturo Pacificador (See Annex XXI). An army officer and a former soldier were among those arrested; they were seen driving to the scene in a car used by Pacificador, who had been implicated in the killing of eight UNIDO workers on the eve of the 1984 election.

The most serious incidents took place in Quirino, a Marcos stronghold where a KBL strongman, Orlando Dulay, reigned. During the campaign, Dulay allegedly threatened UNIDO and NAMFREL workers constantly. Three UNIDO workers were abducted before the election and their dead bodies were found after the election. In addition three young girls, who worked for UNIDO were clubbed to death soon after the election. As a result of these incidents, many of those who supported the opposition fled the province after the election; the church established "safe" houses where those fleeing could stay.

3. Response of the Filipino People

On February 14, 1986, the Catholic Bishops's Conference issued a strong statement condemning the conduct of the election (See Annex X). According to the statement, a government which lacks legitimacy need not command the respect of the population. The statement implicitly called for non-violent civil disobedience as a means to ensure that the will of the people was respected.

The boycotting left issued statements indicating that its perspective on the election had been vindicated. It called for a radical response to the latest outrage, a call which found sympathy among many UNIDO supporters. Mrs. Aquino, however, declined to enter an alliance with the far left or to allow it to take the lead in organizing protests against the Marcos regime.

On Sunday, February 16, the opposition held a massive rally at which Mrs. Aquino called for a boycott of businesses, banks and media owned by Marcos and his cronies. She also announced a schedule of rallies during the following week in other provinces as part of an attempt to build popular support. Although some of her advisors sought a more aggressive approach, Mrs. Aquino stressed that she did not want to provoke violence.

By the time the last member of the delegation left the Philippines, it appeared that the boycott was having some effect. The value of the peso and stock prices were declining rapidly, and the country appeared destined for months of internal strife -- with the NPA as the most likely beneficiary.

VII. Foreign Observers and the Election

Despite the invitation of the two major presidential candidates and the warm welcome most Filipinos extended to foreign observers, the presence of observers aroused controversy among some segments of the population. The wording of COMELEC's resolution regarding observers --- "rules and regulations regarding foreign intervention" -- reflected COMELEC's ambivalence toward observers. The pro-government press was even more vehement in denouncing the presence of observers as "intervenors" and "meddlers" (See Annex LII). The radical left also criticized the presence of observers on the grounds that it implied an endorsement of the election.

Despite the controversy, the delegation believes that observers contributed positively to the Filipino electoral process. For example, following a December visit to the Philippines by a delegation sponsored by the Center for Democracy, COMELEC adopted several resolutions addressing concerns raised by the Center delegation (See Annex XXIII). COMELEC's actions, such as designating UNIDO as the DOP and accrediting NAMFREL, ensured that the election would proceed with all major actors participating. Our advance delegation reported on several of the vulnerable areas of the electoral process, thus ensuring that members of the delegation, other foreign observers and the media focused their attention on these areas in monitoring the election.

Despite our inability to deter the pervasive character of the fraud, this delegation's presence did offer support to those who were struggling to preserve the integrity of the process; it also served to form international opinion about the legitimacy of the "official" proclamation. The Filipino experience should serve as a warning to other governments who seek to thwart the popular will through electoral fraud.

Members of the delegation also found it beneficial to work with international standards and apply them to a particular situation. Delegates made the inevitable comparisons between what they were observing and their own electoral systems. This can only serve to enhance international understanding of democratic electoral principles.

VIII. Concluding Observations

As the delegation looks back at the election and the widespread violations of the electoral code which characterized it, we have sought to understand why it occurred the way it did. It seemed obvious to our advance group that overt efforts by the governing party to subvert the electoral process could well result in an inability to govern. It seemed equally obvious, given the soundness of the electoral code and the safeguards adopted, that fraud would be detected. What, then, were the circumstances which led to the perpetration of massive violations in full view of the media, international observers and the Filipino people?

Though it may be technically beyond our purview, we will try to answer this question. This election has historic consequences for the Philippines, and analysts will long speculate over the cause of the illegal activities which occurred on February 7 and immediately thereafter. To some extent, our own consensus assessment is based on speculation, but few outside observers had the opportunity to gather and weigh the evidence as carefully as did our delegation.

During our advance visit to the Philippines, we concluded that violations of the campaign practices of the electoral code would be most difficult to detect and substantiate. In the pre-election period, the governing party could use its power of incumbency to influence the electorate legally and illegally. Indeed, we subsequently uncovered a good deal of evidence to this effect. Under normal circumstances, this should have sufficed to give the KBL confidence that it would win with a minimum of illegal activity on election day when detection was more likely.

A military officer -- a member of the reformist group and a person who appeared credible -- told the leaders of our delegation the day before the election that an order had just been sent out to key military officers and KBL leaders to "win at all costs." He speculated that this order followed a last-minute reading of polling information which indicated that a legal victory would be highly improbable.

To support his claim, the officer provided us with a copy of a document marked "CONFIDENTIAL" which listed vote counts for the various regions and provinces and provided a projected overall margin of victory for President Marcos at 53 percent to 47 percent (See Annex LIII). Upon examination, this document appeared to be a series of targets for local KBL coordinators.

Examining the target margins by province after the election, several discrepancies appear. Nevertheless, the projected overall margin of victory in this document is virtually the same as the margin by which Marcos was proclaimed the winner.

Two days after the election, the counting process ground to a halt. Many focused attention on the breakdown of the NAMFREL-COMELEC "quick count" agreement, but it also was apparent that the count itself was creating concern at the KBL leadership level. It seemed to us and other observers that the Government was slowing down the count to get a better idea of the number of votes it needed. In retrospect, it is most likely that the alarm was caused by the provincial vote counts. The targets set in the confidential document we obtained were not being achieved. While we can only speculate, it would appear that considerable adjustments must have taken place to achieve the final 53 - 47 margin of victory.

Clearly, Ferdinand Marcos must accept ultimate responsibility for what occurred during the balloting and counting phases. It was he who promised a "free and fair" election. Much of what happened was obviously being directed by the Malacanang Palace, but it would be incorrect to assume that Marcos exercised absolute control. If he did, in fact, issue the order to "win at all costs," he released forces which were beyond his capacity to control. Local "warloads" and Barangay officials felt considerable pressure to deliver their jurisdictions, and they went about this task using methods that had succeeded in the past.

What was different this time was that NAMFREL, two international observer delegations (See Annex LIV), foreign embassies and a very large media contingent were watching. In the end, Marcos was able to achieve a "win," but the costs were more than he had anticipated.

At the same time, it should be noted that certain aspects of the election day irregularities cannot be separated from the larger social, cultural, and historical character of the Philippines. The archipelago includes over 7,000 islands; internal communications and transportation are uneven at best, outside of a few of the larger metropolitan areas. Some parts of the Philippines are cut off -- literally for days at a time from the larger population centers which make up the majority of the Philippine population.

In these areas, and in some less remote, there exist near-feudal political systems in which the ultimate political, economic and legal power rests in the hands of one or two individuals. The exercise of influence is largely unchecked due to a lack of "balancing" powers, an absence of central control, and inadequate means of redress. Though our delegation sought to avoid use of the phrase "by Philippines standards" in expressing our judgements, we add in closing the caution that there are important social, cultural and historical factors at play which can mitigate against the conduct of free and fair elections in the Philippines.

There can be no doubt that these factors were used, and indeed exacerbated, by the ruling KBL in the course of the February snap elections and well before. It is important to note, however, that many of these factors pre-date the presidency of Ferdinand Marcos. Although there is no question of the democratic will and courage of the Filipino people, the new generation of Philippine leaders must address the historical factors which created the opportunity for this prolonged dictatorship.

The new leadership would do well recognize that fundamental precepts of democracy include law, order and the balance of power among the institutions of governance. The Philippine people are now celebrating a hard won fight for democratic justice and freedom, but critical and difficult decisions lie ahead which will test their commitment to these noblest of ideals.

TABLE OF ANNEXES

I. Members of the International Observer Mission 87

II. Executive Summary: Report on the Feasibility of an International Observer Mission to Observe the February 7 Philippine Election 90

III. Transcript of Press Conference Given by International Delegation at Manila Hotel - February 5, 1986 95

IV. Observer Mission Briefing Schedule - February 5 1986 ... 103

V. Observer Mission Terms of Reference 104

VI. Observer Mission Deployment Schedule 107

VII. Observer Mission Evaluation Form 109

VIII. COMELEC Resolution 1747: "Rules and Regulations Regarding Foreign Intervention" (re: Foreign Observers) 113

IX. Transcript of Press Conference Given by International Delegation at Manila Hotel - February 9, 1986 117

X. Catholic Bishops' Statement on the Philippines: Post-Election Statement - February 13, 1986 126

XI. Statement by NAMFREL Chairman Jose Concepcion February 18, 1986 130

XII. NAMFREL Evaluation of 1984 Batasang Elections 133

XIII. University of the Philippines Report on the 1984 Elections 135

XIV. 1985 U. S. Department of State Human Rights Report (Conclusions Only) 139

XV. Ferdinand Marcos' Letter of November 11, 1985 to the Batasang Pambansa Requesting Special Election 148

XVI. Batas Pambansa BLG. 883: An Act Calling a Special Election for President and Vice President, Providing for the Holding Thereof, Appropriating Funds Therefor, and for Other Purposes 151

XVII. COMELEC Resolutions Regarding Special Election (Table of Contents: Resolutions 1721-1753) 156

XVIII. Policy Speeches by Corazon Aquino (titles only) 160

XIX. Pastoral Letters issued by the Catholic Church:
    1. "We Must Obey God Rather than Man" Catholic Bishops' Conference Joint Pastoral Exhortation - January 23, 1986 161
    2. Cardinal Sin Letter - December 28, 1986 164
    3. Cardinal Sin Letter (from the NAMFREL Corner) 167

XX. Reform Armed Forces of the Philippines Movement "Kamalyan 86" Program 168

XXI. UNIDO complaint regarding Antique (Letter from Enrique Javier to COMELEC) - January 26, 1986 171

XXII. List of Complaints Filed with the Commission on Elections in Connection with February 7, 1986 174

XXIII. Actions Taken by the Government of the Philippines to Ensure Free and Fair Elections 178

XXIV. Radio/Television Political Broadcasting Policies (Letters from Stations to Mrs. Lupita Kashiwahara, Media Director, Cory for President) 184

XXV. NAMFREL Estimates of Disenfranchisement in the 1986 Election 186

XXVI. NAMFREL Comparative Analysis of Turnout and Victory ... 192

XXVII. Tables Derived from Batasang Totals ....
    1. Evaluation of Vote in Cities & Provinces where Turnout is Greater than 90% 194
    2. Evaluation of Vote in Cities & Provinces where Marcos won by 90% or more 194
    3. Evaluation of Vote in Cities & Provinces where Marcos' Margin of Victory is Greater than 150,000 .. 194
    4. Evaluation of Vote in Cities & Provinces where Aquino's Margin of Victory is Greater than 50,000 .. 195

XXVIII. Report by Jose T. Ramirez, Provincial Coordinator of East Samar - February 14, 1986 196

XXIX. Photographs of Interference with the Election by Armed Men 199

XXX. Basis for NAMFREL Exclusion ....
    1. Memo from Provincial Election Supervisor of Negros del Norte to the Board of Election Inspectors, Victorias, Negro del Norte Regarding Revocation of NAMFREL Accreditation - February 6, 1986 201
    2. Memo from KBL Provincial Chairman Faustino Dy Regarding "NAMFREL's Dangerous Adventurism" January 27, 1986 204

XXXI. Documentation: Listing of NAMFREL Volunteers Injured, Missing, Detained or Killed - February 13, 1986 208

XXXII. 1. COMELEC-NAMFREL "PARTNERS" - Parallel Tabulation of Election Returns - February 7, 1986 213
2. Guidelines on COMELEC-NAMFREL Parallel Tabulation of Advance Election Results 219

XXXIII. NAMFREL Precinct Tally Form (PTF) 225

XXXIV. Statement of NAMFREL Executive Council February 9 1986 226

XXXV. NAMFREL/COMELEC Vote Counts - February 9, 1986 237

XXXVI. NAMFREL/COMELEC Vote Count Comparison February 10-13, 1986 238

XXXVII. UNIDO Objections to Certificates of Canvass with Observations and Remarks 240

XXXVIII. 1. Report of the Speaker to the Batasang Pambansa on the Receipt and Opening of Certificates of Canvass, and the Counting of Votes Appearing Thereon 255
2. Time of Arrival of Certificates of Canvass 259
3. Regional Vote Totals Reported by Batasang 261
4. Provincial and City Vote Totals Reported by Batasang 262

XXXIX. Resolution Proclaiming Ferdinand Marcos and Arturo Tolentino as the Duly Elected President and Vice President of the Philippines, Respectively 270

XL. Documentation: Ghost Precincts in Sogod, Southern Leyte
1. Results by Precinct from Municipality in Sogod 271
2. Protest Filed by Ebenezer Cordoza, UNIDO Watcher to the Board of Canvassers, Southern Leyte February 9, 1986 273
3. Results from Province of Southern Leyte by Municipality (with Ghost Precincts separated) 275

XLI. Affidavits from UNIDO Workers in Maguindanao ....
1. Affidavit of Didagen Dilangaden, UNIDO Watcher on the Board of Canvassers, Maguindanao February 9, 1986 276
2. Affidavit of Narciso Clar, UNIDO Liaison Officer, Maguindanao, February 11, 1986 278

XLII. Petition to Declare Failure of Election in Negros del Norte filed by UNIDO - February 10, 1986 280

XLIII. "Our Dignity is not Negotiable," The Manila Times, (Report on Interview with Linda Kapunan) February 13, 1986 284

XLIV. Affidavit of Pedro Baradoian, Project Manager of the COMELEC Tabulation Project - February 15, 1986 285

XLV. COMELEC Committee Report on the Walk-Out of Computer Tabulators at the Philippine International Convention Center 290

XLVI. Center for Democracy Vote Tally Discrepancies: Comparison of NAMFREL Tallies and Official Batasang Canvass 294

XLVII. 1. KBL Report, Advance Result of the February 7, 1986 Presidential Election, Province of Lanaodel Sur 295

2. NAMFREL Precinct Tally Sheets for Select Precincts in Lanao del Sur 296

XLVIII. Center for Democracy Analysis of Precincts not Tabulated and Precincts Tabulated but not Authorized .. 301

XLIX. 1. Petition to Declare Failure of Election in Cadiz City, Negros del Norte, filed by UNIDO February 12, 1986 302

2. NAMFREL Report on Elections in Cadiz City, Negros del Norte 311

L. COMELEC Resolution 1775: In the Matter of the Prompt Submission of Evidence to Substantiate Complaints or Reports of Political Parties, issued February 13, 1986. 315

LI. Army Report of Election-Related Casualties as of February 17, 1986 318

LII. Articles from Filipino Newspapers Concerning Foreign Observers as "Intervenors" and "Meddlers" 323

LIII. Report Supplied by RAM Officer Concerning KBL Projected on a Provinicial Basis 326

LIV. Statement by the U. S. Presidential Observer Delegation February 10, 1986 332

DELEGATION CO-CHAIRMEN

John Hume: Leader, Social Democratic and Labour Party, Northern Ireland; Member, European Parliament; Member of Parliament, Westminster (NDI).

Misael Pastrana: Leader, Conservative Party, Colombia; Former President of Colombia; Vice Chairman of the International Democrat Union (NRIIA).

DELEGATION

J. Brian Atwood: Executive Director, National Democratic Institute for International Affairs, Washington, DC (NDI).

Jerry Austin: President, Jerry Austin & Associates, Columbus, Ohio (NDI).

Manuel Ayau: Economist and Political Scientist, Guatemala; Founder and Rector, Universidad Francisco Marroquin, Guatemala City (NRIIA).

Elizabeth Bagley: Congressional Consultant, Center for National Policy, Washington, DC (NDI).

Smith Bagley: President, Arca Foundation and Z. Smith Reynolds Foundation, Washington, DC (NDI).

Errol Barrow: Leader, Democratic Labour Party of Barbados; former Prime Minister of Barbados (NDI).

Tabib Bensoda: Parliamentary Secretary, People's Progressive Party of the Gambia; Member of Parliament (NDI).

Mark Braden: Legal Counsel, Republican National Committee, Washington, DC (NRIIA).

John Carbaugh: Attorney, Vance, Joyce, Carbaugh & Huang, Washington, DC (NRIIA).

Glenn Cowan: President, Cowan and Associates, Washington, DC (NDI).

Curtis Cutter: President, Interworld Consultants, Washington, DC (NDI).

Rick Fisher: Policy Analyst, Asian Studies Center, the Heritage Foundation, Washington, DC (NRIIA).

Larry Garber: Attorney; Director of the Election Observer Project, International Human Rights Law Group, Washington, DC (NDI).

Raymond Gastil: Director of "Comparative Survey of Freedom," Freedom House, New York (NRIIA).

Antonio Gomes de Pinho: Foreign Affairs Director, Centro Democratic Social Party, Portugal (NRIIA).

B. A. (Al) Graham: Member and former National President, Liberal Party of Canada; Member, Canadian Senate; Treasurer, Liberal International (NDI).

Guillermo Guevara: Christian Democratic Party of El Salvador; President of the National Assembly (NRIIA).

Robert Henderson: Program Director, National Republican Institute for International Affairs, Washington, DC (NRIIA).

Robert Hill: Senator; Chairman of Foreign Affairs Committee, Liberal Party of Australia; State President for South Australia (NRIIA).

Patricia Keefer: Consultant, National Democratic Institute for International Affairs, Washington, DC (NDI).

Martin Laseter: Director, Center for Asian Studies, the Heritage Foundation, Washington, DC (NRIIA).

Dorothy Lightborne: Senator and Special Representative, Jamaica Labour Party (NRIIA).

John Loulis: Director, Center for Political Research and Information, Greece (NRIIA).

Lord George Mackie: President, Scottish Liberal Party, House of Lords, Scotland-UK (NDI).

Judy Norcross: Special Representative, Republican National Committee, Morristown, NJ (NRIIA).

Patrick O'Malley: Senior Policy Analyst, John W. McCormick Institute, University of Massachusetts, Boston, MA (NDI).

Juan Carlos Pastrana: Journalist; Special Representative, Conservative Party of Colombia (NRIIA).

Howard Penniman: Senior Fellow, American Enterprise Institute; international elections expert, Washington, DC (NRIIA).

Jose Rodriguez Iturbe: International Secretary, COPEI of Venezuela (Christian Democrats); Federal Representative, Chamber of Deputies (NRIIA).

Peter Schram: President, Claremont Institute for the Study of Statesmanship and Political Philosophy, Claremont University, Claremont, CA (NRIIA).

Keith Schuette: Executive Director, National Republican Institute for International Affairs, Washington, DC (NRIIA).

Ronald Sebego: Member and Assistant Treasurer, Botswana Democratic Party; Member of Parliament (NDI).

Elaine Shocas: Counsel to the Treasurer, Democratic National Committee and to the American Federation of Teachers, Washington, DC (NDI).

David Steinberg: President, Long Island University, and author, The Philippines: A Singular and A Plural Place, Long Island, New York (NDI).

Bill Sweeney: President, Washington Resources and Strategy, Inc., Washington, DC (NDI).

Dennis Teti: Foreign Affairs Advisor to Cong. Jack Kemp, Washington, DC (NRIIA).

William Tucker: Consultant; former Office of White House Counsel, Washington, DC (NRIIA).

Steven Wagner: Director of Administration, National Republican Institute for International Affairs, Washington, DC (NRIIA).

Kathleena Walther: Program Officer, National Republican Institute for International Affairs, Washington, DC (NRIIA).

Edward Weidenfeld: Attorney; former General Counsel to Reagan-Bush campaign, Washington, DC (NRIIA).

Curt Wiley: Director of Development, National Democratic Institute for International Affairs, Washington, DC (NDI).

Sue Wood: President, National Party of New Zealand; Special Representative of International Democrat Union (NRIIA).

EXECUTIVE SUMMARY

A bipartisan delegation sponsored by the National Republican and Democratic Institutes for International Affairs visited the Philippines January 5-11. The purpose of the visit was to assess the feasibility of sending an international group to observe the February 7 election and to review steps being taken to safeguard the integrity of that election. Meetings were held with the key official and non-official organizations that will administer and monitor the election.

Of particular importance to the delegation were: (1) preparations being made by the Commission on Elections (COMELEC); (2) the administration of the electoral code in the pre-election period; (3) the registration of voters; and (4) the willingness of the government, the military, the contesting parties and various citizens' groups to cooperate with an international observer team.

Our summary conclusions about these matters are as follows:

-- The electoral processes established by laws and regulations for the conduct of balloting and for the tabulation of votes provide a comprehensive framework for the administration of a procedurally correct election. The laws and regulations also contain provisions encouraging a fair electoral campaign. Taken as a whole, these laws and regulations compare favorably with those of other democratic countries. The actual implementation of the electoral procedures by local, provincial and national election officials on election day and during the counting phase is a key factor in the conduct of a "free and fair" election. Wholesale vote buying, intimidation, and fraud in the balloting and counting phases can be detected by accredited monitoring groups. It, therefore, should be possible for an international group working with Filipino authorities and accredited citizens' groups to evaluate the fairness of this phase of the electoral process.

-- The registration of voters which occurred on December 28 and 29, 1985, produced a number of "statistical improbabilities" according to COMELEC, and these were being investigated. All voter lists were to have been purged of illegal registrants by January 15, "Revision Day." Because we departed Manila on January 11, we were not able to evaluate fully COMELEC's actions to ensure the integrity of the registration process. We note, however, that other election procedures are in place which could be used to detect double voting, "ghost" precincts, "flying voters" and other irregularities stemming from fraudulent registration practices.

-- Only a few complaints of specific campaign-related incidents were related to the delegation prior to its departure. We have noted reports of what appear to be an increase of such incidents in the week since we left. An international observer delegation should interview individuals affected by alleged pre-election intimidation and vote-buying, seek to determine whether complaints are being presented to the responsible authorities and whether these complaints are being investigated and adjudicated promptly and effectively. If an obvious and discernable pattern emerges, this could greatly influence an evaluation of the conduct of the electoral process, even if the balloting and counting phases are conducted in accordance with the law.

-- According to many accounts and our own less than scientific observation, access to radio and television is not being equally divided between the two major parties. This is a controversial issue in the campaign and could impact on the outcome. An unequal distribution of television coverage appears attributable to stations refusing to sell time "to either party," but then providing extensive coverage of President Marcos' campaign during news segments. However, at the time of our departure, the opposition had filed only one complaint with COMELEC involving two specific cases of one-sided television coverage. A more aggressive posture by the opposition in seeking redress through COMELEC and by COMELEC in administering the "equal time" provisions in the electoral code during the last weeks of the campaign could ameloriate some of the unfair allocation of overall media time in favor of President Marcos' KBL Party.

-- Free election time -- "COMELEC Time" -- began on television January 8, and a published listing of the schedule for the week of January 13, indicated that this "free" time would be allocated equally to the two major parties. The limited amount of time thus far acquired by COMELEC for partisan activity by the two major candidates is unlikely to overcome imbalances which may exist in media coverage.

Typically the power of incumbency can influence the amount of space print journalists give to one party or the other. It should be noted that the Philippine press is strongly partisan in nature and that coverage is often reflective of editorial policy rather than considerations of newsworthiness. Some concern exists in the Philippines about the influence used to prejudice print media coverage of the campaign. It was beyond the competence of this delegation to determine the pervasiveness of that influence or its impact on the campaign.

-- The delegation was encouraged to organize an international observer effort by the two major parties and leading Filipino citizens' groups. Despite some expressions of concern regarding the "intervention" of foreigners in the

Filipino electoral process, the delegation received adequate assurances from all sides that an international observer group would receive the cooperation it would need to monitor and evaluate the February 7 election.

Given the above considerations, our Institutes have decided to assemble a forty-member joint delegation of international observers for the February 7 election. This delegation would be comprised of high-level party leaders from many of the world's democratic nations. It is our belief that such a delegation can contribute to the conduct of a free and fair election, will be instrumental in determining international opinion about such an election, and will serve to underscore the vital role a credible electoral process can play in bringing about political stability in the Philippines.

TEXT OF INTERNATIONAL OBSERVER DELEGATION'S PRESS CONFERENCE, MANILA, FEBRUARY 5, 1986

Following is the transcript of a February 5, 1986 press conference of the international observer delegation to the Philippine presidential election which was organized by the National Democratic and National Republican Institutes for International Affairs.

(Begin transcript)

Keith Schuette: I'm the Executive Director of the National Republican Institute for International Affairs. One of the co-chairman of our delegation: to my right, the former President of Colombia, Dr. Misael Pastrana. Dr. Pastrana was President of Colombia from 1970-1974. He is the former minister of State in Colombia, former ambassador to the United States and many other posts. He is party leader of the ruling or governing conservative party of Colombia, and he is also a representative and vice-chairman of the International Democrat Union.

Brian Atwood: I'm Brian Atwood with the National Democratic Institute. It's my pleasure to introduce Mr. John Hume, who's a member of the British Parliament and the European Parliament and the leader of the Social Democratic and Labor Party of Northern Ireland. He initiated a few years ago something called a New Ireland Forum, which was the beginning of negotiations, eventually, between Great Britain and Ireland, the Irish Republic. And he's said by many to have been the architect of the Anglo-Irish Agreement. Mr. Hume will read the opening statement on behalf of the two leaders of the delegation.

Mr. Hume: Our delegation has come to the Philippines at the general invitation of the two major presidential candidates to participate as international observers in the electoral process here. We accept this role with a great sense of purpose.

As a multi-national representation of the community of democracies, we have a deep faith in the electoral process as a vital means for expressing the popular will. We are stating by our presence that we believe that this election can be a valid expression of the will of the people of the Philippines. At the same time, we recognize that every democratic society contains within it those elements who would attempt to distort the popular will through electoral malpractice, and it is our hope that our presence will encourage the democratic forces on all sides to seek a fair and free election.

The people on our delegation who have committed themselves to this important mission have done so in the clear understanding that they're leaving all personal and political biases behind them. We will monitor and evaluate this election without prejudice, and we accept, unless proven otherwise, the publicly expressed desires of all candidates to conduct this election fairly.

As co-leaders of the delegation, we want to offer special thanks to the two sponsoring organizations. the National Democratic and Republican Institutes for International Affairs of the United States, and for the careful preparations that they have undertaken.

As a result of a preliminary visit and a thorough report on the electoral system here, we begin our task with a substantial amount of information and insight. We will meet today with representatives of both political parties and with COMELEC and NAMFREL.

Our group will be briefed thoroughly by technical experts, and we'll receive detailed information on the provinces we intend to cover.

Nine teams of 4 or 5 individuals will be sent to various parts of the country to observe the process. We have chosen these areas after careful consultation with a wide variety of experts on Filipino elections. A list of the provinces and the observer teams will be provided to you.

We have concluded that the laws and procedures are such that malpractice can be detected, especially that which is attempted or perpetuated on a wholesale basis. We hope that this will not occur but we will not hesitate to expose it if it does. We plan to meet with the press after the election to issue a preliminary report of what we have observed. This will not include a final evaluation of the election's validity. This final report, which will be based on a careful analysis of the complete national picture, is too important for instant analysis. We will want to consult with many credible sources before finalizing our opinion.

Finally, we are conscious of the vital importance of this election to the future of the Philippines and its people. We share the hope of the vast majority of the Filipino people that this election will provide a clear mandate to the government that is asked to lead this great nation after the 7th of February. We hope that our delegation will be able to say that we have borne witness to a fair and free election which reflects the will of the Filipino people. Thank you very much.

Q: I'd like to ask Mr. Atwood and Mr. Schuette to give us a brief account of who is paying for this mission. how much is being paid, and if there is any United States Government money in this project. particularly any C.I.A. money? Exactly what is your budget?

A: (Atwood): Our Institutes were both created as private corporations affiliated with the Republican and Democratic parties of the United States. Most of the money that we use to operate comes from the National Endowment for Democracy. which is also a non-governmental institution in the United States that does receive money. a grant from the U.S.I.A.. the U.S. Information Agency. For this particular project, about 20 percent of the resources that we are using come from private sources. contributions to our institutes. Both of our institutes are non-profit, non-partisan organizations, despite our affiliations with the two parties. About 40 percent of the money comes from [a section of] the Agency for International Development that is concerned with Human Rights and electoral processes. The other 40 percent comes from the National Endowment for Democracy for our normal operating expenses.

Q: How much money are you talking about?

A: We pay for the travel of the individuals and the room and board here on a per diem basis. Perhaps it's going to cost somewhere around about $60,000, something like that.

Q: For the whole time for both groups -- for 44 people?

A: (Atwood): That's right. Maybe that's a low estimate. Sixty thousand for each delegation, $120,000 total.

Q: And no C.I.A. money?

A: (Atwood): Absolutely not. Indeed, there's a prohibition in the law that created the grant for the National Endowment for Democracy against that kind of association.

Q: I wonder if you would give us your criteria for judging whether this election is going to be fair or not?

A: (Hume): Well, we will be looking at the areas that have been identified as vital areas for electoral malpractice; [these are] well known, and they are not any different no matter what country you're in or [where you are] dealing with the electoral process. I have been involved in a part of the world which has had 12 elections in the last 12 years and where there has been a lot of allegations of, to put it mildly, "over enthusiasm" in electoral practice, and where special legislation has had to be brought to tighten it all up. So, as co-leader of the delegation, I know exactly what I'm looking for, and as I say, it's the same in every area.

We will be looking at the areas that have already been identified as areas [where fraud is likely, and to observe whether] anyone is trying to conduct electoral malpractaice registration, alleged bribery, and buying votes; the actual voting itself, and the counting procedures.

We're under no illusions. There's a huge number of polling stations in this country. We can't cover them all. But we have a 44-member team. We had an advance team right here that reported on the situation. And we will do an effective job, we believe, with the resources at our disposal. We will discuss with the different political parties. We will discuss with COMELEC and with NAMFREL, and with any other sources that we will regard as credible in the country before coming to a final conclusion. And we're not going to intervene in any way in advance of the election or with the result. We are here to observe, not to intervene.

Q: How do you distinguish between "over-enthusiasm" and fraud?

A: (Hume): Well, I think the distinction is usually pretty clear -- when you see it in practice.

Q: From what you have seen so far, how would you assess prospects for a free and fair election?

A: (Pastrana): The first criterion is to observe the electoral process based on the other countries. Our mandate is none other than our own conscience. We represent different political tendencies from diverse countries. We have no ideological compromise in our observer mission other than fulfilling this mission with objective criteria and with the will of rendering a report that reflects the reality of the process that is taking place.

Q: Mr. Schuette or Mr. Atwood, you've spent some time over here. I'm wondering what your assessment is now of the prospects for a fair and free election?

A: (Schuette): As we noted in our report, [of which you] have copies or there are copies available to you, the procedures: the electoral log, the Omnibus Election Code, and the various resolutions that have been passed, in our opinion, stand the test. We have a number of experts in our delegation who have done election observing in other countries before, and it is their judgment and our judgment that the law compares favorably with that, for example, that we might find in the United States. It is important to note, however, that laws are only as good as those who must enforce them and ultimately it will be a decision of those institutions in the Philippines who are charged with enforcing electoral laws, monitoring those laws, as to whether this will be a free and fair election. We would not be here if we did not think that there was a reasonable prospect for a representative and honest election.

Q: Do you think that with 40 observers, you are in a position to make a scientific judgment on the entire country on the fairness of the election?

A: (Schuette): Statistically, I believe 40 out of 91,000 would cause pain for a lot of statisticians. We feel that we will be able to take a representative sample of the atmosphere, of the counting process, of the transport of electoral returns, of the management of the election. Does that mean that when we issue our final report that we will have touched every base, recorded every incident, and made a judgment about all that activity? I think the answer is no. There are no institutions in the Philippines that are prepared to offer that broad a coverage. We are confident that our plans will allow us to make a judgment that we would consider to be responsible and representative.

Q: When you say 90,000 and 40 observers, then you'll only be looking at 40 precincts.

A: There will be many more than 40. We will have 8 teams in the field visiting a number of precincts from the hub areas where they are deployed. We won't know until after the election as to exactly how many precincts we can visit. It will be many more than 40, I can assure you of that.

Q: Have you told the government which ones you're visiting?

A: (Schuette): We have been working very closely with COMELEC. They have been very cooperative with us. I believe we have a list that we have provided today as to where our teams will be going. They've been cooperative, although we have not sought nor have they offered their permission. This is a mission that's very independent, and they've [COMELEC] been very cooperative with us.

Q: Mr. Schuette, have you been allowed or told that you will be allowed to go into the polls, and, if not, do you think that this is going to harm the mission.

A: (Schuette): As we noted when we were here for our earlier visit, our mission must first and foremost respect the laws of the Philippines. According to the law, there are only certain individuals that are allowed into the polling place. We respect that law. We do not feel that this measurably limits our ability to discharge our responsibilities effectively. As we noted back in Washington, there are only so many things that can happen inside a polling place. We are looking at the larger picture. We are able to interview people coming in and out of the polls. There are adequate safeguards in place, it would appear, to protect the integrity of the polling stations.

Q: When are you planning to issue your preliminary report -- Sunday, Saturday?

A: (Hume): Sunday evening is the projected time, all being well here.

Q: If everybody knows where you're going in advance, how can you hope to get a representative picture of what's going on?

A: (Hume): Well, you know, some of us have been fighting elections for a very long time, and we know what we're doing when we're fighting elections and we're looking at elections being fought. And experienced electioneering is something that is limited to practicing politicians and the people who work within their parties. And from my own personal experience of elections, I would be quite confident that I could go into any electoral area, start talking to people, start looking at what's happening, and come to a very good conclusion of what is actually happening. I mean, people aren't any different no matter what part of the world they're in and I don't think elections are either. It's a question of the experience of the people who are doing it, and we have a highly experienced team.

Q: My question is, why was no attempt made to not set a previous schedule of where you are going? Wouldn't it have been possible to select randomly the day of the election?

A: (Atwood): Let me just answer that. The fact of the matter is that we did keep the information until very late in the day yesterday. But there is a time when you have to have the cooperation of individuals within the area. Our people are going to nine different areas, including Metro Manila, and we will also have a chartered plane which will drop our leading delegation into various areas at very little notice. The areas that they'll be covering will be regions which have been identified by a lot of people as being critical. They will not know where our team is going within the region. Teams of four and five will be making their own strategy as to where they go at any given time of the day. They've been assured that with their COMELEC credentials that they'll have access to various places and that no one is going to be trying to disrupt their travels, so we don't think that given those circumstances and given the late time of the day that anyone really would have had opportunities to make showcases out of these particular provinces.

Q: Mr. Schuette, you have said that the laws looked okay. There's a history in this county of there being a disparity in election practice from the laws. How do you decide how much irregularity is an acceptible amount of irregularity for the elections to still be credible?

A: (Hume): I think you would understand yourself that the very question you ask me needs to await the answer to your question. You have to see what has happened before you can make a judgement. We can't say, oh, that we're going to judge on a [basis of] one percent or ten percent or fifty percent. You have to actually see what's happening. It's a practical sense of elaboration we're engaged in.

Q: You mean you're not going out in your separate directions with the pre-established criteria of what to look for, what to mark down in your tally sheets?

A: (Hume): Oh yes, we're very, very clear -- I've already outlined the areas that we have been looking at and that we will be looking at. But we will not be making any comments on any of our findings until next Sunday, and then our final reports will come in much later than that.

Q: Mr. Hume, can I ask you to address the question of access to the media and how much weight you're going to attach to that in your final report?

A: (Hume): Well, that is one of the areas in which we will be drawing up our report, because obviously, the access to media is a key element in a fair and free election. We have been studying that in practice, and we will be commenting on that in due course.

Q: Have you reached any conclusion today on what you've studied and what you've covered from your preliminary exposure?

A: (Hume): I think we've already made clear that we won't be announcing any conclusions until after the election, first of all next Sunday, and our final conclusions much later. It's much too serious a matter for instant judgements.

Q: Do you have any advice for the American team that is coming in tonight, Mr. Hume?

A: (Hume): No.

Q: Mr. Hume, could you give us examples of electoral fraud and malpractice with which you, as a Northern Ireland Roman Catholic politician, have direct personal experience?

A: Yeah, plenty of them. I mean the best-known election slogan in Northern Ireland is "vote early and vote often." We have been fighting that practice for years. We think that as a result of recent legislation, we have got it under control because there's now strict identity checks at polling stations.

It has not been unusual in Northern Ireland for people who have passed away to have registered their opinion in the ballot box on a very many occasions. Also, registration has been a problem. We now have a very strict watch on registration; parties police the registration process so that everybody who's entitled to be on the register is on it, but nobody is on it more than once. So those are the areas that we've had to deal with in Northern Ireland: registration and malpractice in the act of voting, people voting for the dead; these are the sort of things that are always, I think, an issue where elections are very toughly and tightly fought.

Q: I've got a question for Mr. Atwood, if I may. I believe it was you who in recent Congressional testimony noted that the ballot-printing machine or machinery was missing recently for a week or so. I hope I'm not misquoting you. The implication there is that somebody could have taken it and printed a lot of phoney ballots, and what I'm wondering is, can you add anything to that and what procedures might uncover those ballots if at some point they're introduced into the count?

A: Yes, we were informed by the Commission on Elections that after the snap election was announced, that for a period of about eight days, the watermark machine was not under control. Now, that does not necessarily imply that it was being used during that period, but it was not under control. There are many ways that this kind of thing can be detected.

We will be looking in the field for indications that the copy of the election return that was signed by both parties and by the board of election inspectors at the precinct level reflects a different vote count than that which is received at the provincial counting center. Quite obviously, if a pattern emerges of that kind of activity, then there will be certain implications in that and we will take note of that. Beyond that, I don't think I should say any more about it.

Q: I have a question for Mr. Schuette. Since this is a primarily American government-financed operation, I wonder what you can say to Filipinos who would say that this is an intrusion in their affairs, something that a sovereign government shouldn't tolerate?

A: We haven't been asked that question, so I normally don't answer questions that haven't been asked.

A: (Atwood): We are here as a neutral, impartial mission that has no intention of interfering in the internal affairs of the

Filipino people. It is not unusual for international observers to participate in this fashion, in the fashion that we have come here. There were recently -- just yesterday -- elections held in Costa Rica. There were recently elections held in Guatemala. International observers were present at those elections. It has not been an historical function of international observers to interfere. Those that participated in the Guatemalan elections were not accused of interfering. We hope that that accusation will not be levelled against us, and we recognize it is our responsibility to live up to the impartial and objective standars which international observers much follow.

Q: Sir, can I follow up on that thought? What do you see then as the goal of your mission? I mean, what result will your report have if you as a group decide that the election was reasonably clean or if you decide that it was indeed quite dirty? What's the point? Isn't it really up to the Filipinos to decide?

A: I couldn't agree more. The ultimate decision will rest with the Filipino people. We are here to display our support for the democratic process, to provide moral support to those people in this country who seek a democratic future for the Philippines. I think all of us would agree that there is nothing that we would rather say when our final report is issued than that there was a free, fair and representative election. If that is not the case, we have the responsibility to state that, too. What will happen with that report is up to those who must form their own opinions and the future of relations between sovereign countries. We have time for one more question and then we have to do.

Q: Will you be able to watch the vote counting?

A: (Pastrana): I believe our mission is to observe the balloting process, the counting of the ballots, and the relay of information which is the circle that completes the whole of our mission.

Q: One more question: do you have anybody with you with the five teams that speaks Tagalog?

A: We will have some local support in that area, yes.

Q: Who will provide it?

A: We'll have local support from private groups throughout the islands.

Q: Will you have people who are not part of either party with you?

A: Absolutely. (End transcript)

OBSERVER MISSION BRIEFING SCHEDULE
February 5, 1986

9:00 National Democratic and Republican Institutes for International Affairs

J. Brian Atwood, Executive Director, NDI
Keith Schuette, Executive Director, NRIIA

10:30 Commission on Elections - "COMELEC"

Froilan Bacungan, COMELEC Commissioner

11:30 National Citizens' Movement for Free Elections - "NAMFREL"

Jose Concepcion, Chairman

1:00 KBL

Blas Ople, Minister of Labor and Marcos' Campaign Manager

2:30 UNIDO

Francis Garchitorena, Counsel to Mrs. Aquino

3:15 Team Meetings

National Democratic Institute
for International Affairs

National Republican Institute
for International Affairs

MEMORANDUM

TO : NDI and NRIIA International Observer Team

FROM: J. Brian Atwood, NDI
Keith Schuette, NRIIA

RE : Terms of Reference

DATE: January 31, 1986

The observations of this mission and those of other credible sources will form the basis for our conclusions about the February 7 presidential election in the Philippines. Our mission, therefore, requires that all observers attempt to document observations and in all cases distinguish factual information from subjective judgements.

Delegation members will be provided with evaluation forms. The sponsoring organizations will attempt to assess the election from a national perspective in the final evaluation, and we would like you to review the issues we feel are important to accomplishing this objective. These terms of reference have been prepared for that purpose.

I. The Political Campaign

A. Adequacy of the Campaign Period: Was the time provided for campaigning adequate to permit all parties to communicate their respective messages to voters? Was the time provided adequate to permit the establishment of tamper-proof electoral procedures?

B. Restrictions on Campaigning: Did the participating parties have access to all regions of the country to conduct their respective campaigns? Were there any de jure or de facto restrictions on political campaigning by participating parties or others?

C. Political Arrests: Have there been any arrests, detentions, or killings of party leaders or other individuals during the campaign which appear politically motivated?

D. Intimidation: During the campaign, were candidates or voters intimidated, in the form of explicit or implicit threats to vote for a specific candidate or to vote at all, by security forces, political parties, or by insurgent groups? What was the government's response to such actions?

E. Improper Campaign Practices: Was there evidence of vote-buying or other illegal campaign tactics by either party? How did COMELEC respond to complaints about improper campaign practices?

II. Role of the Media

A. COMELEC Time: Did COMELEC provide the major parties adequate and relatively equal access to the media through allocations of COMELEC time?

B. Media Access: Were parties permitted to purchase time and space in the Filipino media?

C. Coverage of the Campaign: Did the Filipino media give adequate and balanced coverage of the political campaign?

D. Censorship: Was there any censorship of the print or broadcast media? Were any journalists intimidated through arrest, detention, or death during the campaign period?

III. Administration of the Election

A. COMELEC: Did the Commission on Elections (COMELEC) and local elections officials act in a non-partisan manner?

B. Voter Registration: Were the statistical improbabilities and other problems with the voter registration lists recognized by COMELEC corrected prior to the election? If not, did other safeguards in the law act to prevent the phenonema of "flying" and "ghost" voters?

C. Fraud Prevention: Were the safeguards established to prevent such fraudulent practices as the stuffing of ballot boxes utilized at all precincts?

D. Counting of Ballots: Were the safeguards to ensure against fraud in the counting and canvassing processes utilized at all precincts and canvassing centers? Was there evidence that disputes in the counting or canvassing process were resolved in a partisan manner? Were there suspicious delays in the preparation of the election returns or the certificates of canvassing?

E. Role of Observers: Were the two leading parties, NAMFREL, and other accredited watchers permitted access to all precincts and canvassing centers? Were complaints witnessed by party poll-watchers, NAMFREL representatives or other observers handled in a non-partisan manner?

F. Environment at the Polling Site: According to information provided from those permitted access to polling sites, were voters able to cast a secret ballot? Was there any intimidation of voters by security forces, private armies, local leaders, political parties, or insurgent groups on election day?

IV. The Results

A. Announcement of Official Results: Are the official results being reported in accordance with the provisions of the Philippines Election Code? Do the official results coincide with those reported by NAMFREL's Quick Count? Are there unreasonable delays in the canvassing process being caused by frivolous objections?

B. Ability of the winner to assume power: Is the winner of the election likely to assume power in accordance with the provisions setting the terms of the election?

NRIIA/NDI TEAM ASSIGNMENTS TO PROVINCES

Team I: Region 1
Province: Ilocos Sur

Jerry Austin - Coordinator
Tabib Bensoda
Steve McCarthy
Marilyn Zak

Team II: Region 3
Province: Tarlac

Patricia Keefer - Coordinator
Dorthy Lightborne
George Mackie
Judy Norcross
Howard Penniman

Team III: Region 4
Province: Batangas

Steve Wagner - Coordinator
Elizabeth Bagley
Smith Bagley
Robert Hill
William Tucker

Team IV: Region 6
Province: Negros Occidential and Negros del Norte

Glenn Cowan - Coordinator
Manual Ayau
Raymond Gastil
Peter Schramm
David Steinberg

Team V: Region 8
Province: Leyete

Kathi Walther - Coordinator
Jose Rodriguez
Juan Carlos Pastrana
Bill Sweeney

Team VI: Region 5
Province: Albay and Camarines

Larry Garber - Coordinator
Martin Lasater
Ronald Sebago
Dennis Teti

Team VII: Region 10
Province: Misamis Occidential and Lanao del Norte

Elaine Shocas - Coordinator
Mark Braden
Al Graham
John Loulis

Team VIII: Region 11
Province: Davao City, Davao del Sur, and Davao del Norte

Rick Fisher - Coordinator
Curt Cutter
Antonio Gomes de Pinho
Patrick O'Malley
Edward Weidenfeld

Team IX: National Capitol Region
Province: Metro Manila and Pangasinin

Rob Henderson Coordinators
Curt Wiley

John Hume
Brian Atwood

Erroll Barrow

Misael Pastrana
Keith Schuette

Guillermo Guevara
Sue Wood

EVALUATION FORM

International Observer Delegation

I. NAME ________________________________

Official Position ________________________________

II. Province(s) visited ________________________________

Date of arrival in province ________________________________

Date of departure in province ________________________________

III. Election Day

A. I(we) visited the following cities, municipalities and rural areas on election day:

B. For each polling site visited:

	a.	b.	c.	d.
1. Were there large numbers of people outside the polling site waiting to vote,				
2. Were there any armed individuals outside the polling site?				
3. Were there any complaints related by credible sources regarding what was occuring within the polling site (describe below)				

The group heard the following complaints regarding the conduct of the election (be specific as to the nature of the complaint, the source and its duration).

1.

2.

3.

..../2

C. I(we) was at the following polling site at 3:00 p.m. ____________
____.

For each precint for which a vote count was received, indicate the following:

	(a)	(b)	(c)	(d)
1. Precint No.	______	______	______	______
2. Time count received	______	______	______	______
3. Source	______	______	______	______
4. Presidential race:				
Pres. F. Marcos	______	______	______	______
Mrs. C. Aquino	______	______	______	______
Others	______	______	______	______
5. Vice-presidential race:				
Arturo Tolentino	______	______	______	______
Salvador Laurel	______	______	______	______
Eva Kalaw	______	______	______	______
Other	______	______	______	______

6. Describe any problems reported at the counting phase:

a.

b.

c.

IV. Canvassing Phase

A. I(we) watched the canvassing at the following center ____________
____.

B. The canvassing began at " ________________________________.

C. Present at the canvassing center were representatives or the following organization:

1. KBL ______
2. UNIDO ______
3. NAMFREL ______
4. IBP ______
5. Other ______

..../3

D. The canvassing proceeded without interruption until: __________.
Canvassing was halted due to ______________________________.

E. Describe the nature of any objections filed, by whom they were filed, and how they were

1.

2.

3.

4.

F. At the time of my departure from the canvassing center:

1. Out of a total of ________ precints, ______ had been canvassed.

2. Presidential count : Pres. F. Marcos ________________
Mrs. C. Aquino ________________
Other ________________

3. Vice-Presidential count: Arturo Tolentino ________________
Salvador Laurel ________________
Eva Kalaw ________________
Other ________________

V. Election Campaign

A. I(we) spoke with representatives of the following organizations regarding the campaign in the province visited:

1. COMELEC ________
2. KBL ________
3. UNIDO ________
4. Church ________
5. NAMFREL ________
6. Local elected officials ______
7. Security Forces ______
8. Media ______
9. Other ______

B. The group heard the following complaints regarding the campaign period (be specific in describing the nature of the complaints, the credibility of the source; and your view of its likely effect on the campaign).

1.

2.

3.

..../4

VI. Overall Comments: Based on what you have observed and on the reports you received from credible sources, provide your evaluation of the election.

I would like the above statement included in the report under my name and an appendix to the report.

_______ Yes   _______ No

Republic of the Philippines
COMMISSION ON ELECTIONS
Manila
--oOo--

RE: Rules and regulations
against foreign intervention.

PRESENT:

SAVELLANO, Victorino A., Chairman
OPINION, Jaime, Commissioner
BACUNGAN, Froilan M., Commissioner
FELIPE, Ramon H., Jr., Commissioner
MARQUINEZ, Quirino A., Commissioner
ORTIZ, Mario D., Commissioner
GURO, Mangontawar B., Commissioner

Promulgated:
January 10, 1985

x - - - - - - - - - - - - - - - - - x

RESOLUTION NO. 1747

WHEREAS, Section 81 of the Omnibus Election Code provides as follows:

> "SEC. 81. Intervention of foreigners. - It shall be unlawful for any foreigner, whether juridical or natural person to aid any candidate or political party, directly or indirectly, or take part in or influence in any manner any election, or to contribute or make any expenditure in connection with any election campaign or partisan political activity. (Sec. 36, 1978 EC)"

WHEREAS, foreign groups or individuals and members of media [illegible] will be coming to observe the February 7 1986 election;

WHEREAS, it is the duty of this Commission to issue rules and regulations to implement the provisions of the Omnibus Election Code and to guide the said foreign groups or individuals coming to this country for said purpose;

NOW, THEREFORE, pursuant to the powers vested in it by the Constitution, the Omnibus Election Code, and Batas Pambansa Blg. 883, the Commission on Elections RESOLVES as follows:

SECTION 1. Registration required.- Any panel, committee, sub-committee, organization, group, association or individuals, whether private, government or member of media, who may want to observe elections in the Philippines, shall, first register with the Commission on Elections;

Any individual or group of the category defined in the preceding paragraph already in the country upon the promulgation of this resolution shall have forty-eight hours to register from notice or publication of this resolution.

SEC. 2. Identification cards. - The Commission on Elections shall register any applicant and issue individual identification cards to such applicants.

SEC. 3. Privileges. - Those who are duly registered shall have the following privileges:

A. Before election day:

1. Request any official or agency of the government for interview or briefing on the electoral process;

2. Confer with representatives of registered political parties, candidates or their representatives on any matter they may wish to be informed about, but thereafter refrain while in the Philippines from making any remarks or statements which constitute partisan political activity as defined by the Omnibus Election Code;

3. Confer with representatives of media, and private firms or organizations that are under contract by the government or any political party or candidates on any matter they may wish to be informed about;

4. Such similar activities they may wish to undertake provided these shall not constitute partisan political activity.

B. On election day:

1. To observe the election in any locality subject to the following limitations applicable to the Comelec's citizen arms and other person as provided in the Omnibus Election Code:

> "52 (K), § 2. - ...... Members or units of any citizen group or organization so designated by the Commission ...... shall not be allowed to enter any polling place except to vote, and shall, if they so desire, stay in an area at least fifty meters away from the polling place.;"

x x x x x x x x x x x x x x

> "Sec. 192. Persons allowed in and around the polling place. - During the voting, no person shall be allowed inside the polling place, except the members of the board of election inspectors, the watchers, representatives of the Commission, the voters casting their votes, voters waiting for their turn to get inside the booths whose number shall not exceed twice the number of booths and the voters waiting for their turn to cast their votes whose number shall not exceed twenty at any one time. The watchers shall stay only in the space reserved for them, it being illegal for them to enter places reserved for the voters or for the board of election inspectors or to mingle and talk with the voters within the polling place;"

2. Interview voters, political leaders and other individuals and make audio, visual or audio-visual recordings in any place, subject to the limitations provided in the preceding paragraph;

3. Undertake any such other activities anywhere in the Philippines provided these shall not constitute partisan political activity.

C. After the election:

1. Observe the canvass of votes by the various provincial and city Boards of Canvassers;

2. Observe the proceedings of the Batasang Pambansa as the National Board of Canvassers.

All those registered may travel to any part of the country to perform the acts above-mentioned, but shall not engage in any partisan political activity.

SEC. 4. Penalty for violation. - Any violation of above-quoted Sec. 81 of the Omnibus Election Code shall be punishable under Sec. 264 of the same Code with one to six years' imprisonment and deportation.

SEC. 5. Effectivity. - This resolution shall take effect immediately upon promulgation.

SEC. 6. Dissemination. - The Law Department shall implement this resolution and the Education and Information Department shall cause the publication of the same in two (2) daily newspaper of general circulation immediately after promulgation thereof, and shall furnish copies to all registered political parties, all candidates, and the Ministry of Foreign Affairs which shall disseminate them to its foreign service establishments and to representatives of foreign countries in the Philippines, and assist in the implementation of this resolution.

SO ORDERED.

VICTORINO A. SAVELLANO
Chairman

JAIME OPINION
Commissioner

FROILAN M. BACUNGAN
Commissioner

RAMON H. FELIPE, JR.
Commissioner

QUIRINO A. MARQUINEZ
Commissioner

MARIO D. ORTIZ
Commissioner

MANGONTAWAR B. GURO
Commissioner

TRANSCRIPT OF FEBRUARY 9, 1986 PRESS CONFERENCE AT THE MANILA HOTEL GIVEN BY THE INTERNATIONAL OBSERVER GROUP TO THE PHILIPPINE PRESIDENTIAL ELECTION

OPENING STATEMENT BY BRIAN ATWOOD: I'm Brian Atwood with the National Democratic Institute and I'd like to introduce my counterpart from the National Republican Institute, Mr. Keith Schuette, and the co-leaders of our delegation, Mr. John Hume, the leader of the Social Democratic and Labor Party of Northern Ireland and a member of the British and European Parliaments, and President Misael Pastrana of Colombia, who was president of Colombia from 1970 to 1974. The other delegates of our group represent 19 nations and various political parties. The four of us will be available for your questions and President Pastrana has a statement to read.

PASTRANA: Ladies and gentlemen. We have had the opportunity to observe an historic election in a country which each of our delegates holds in the highest esteem. We have come here as friends of democracy and of the Filipino people, and have been reaffirmed in our purpose. We share the belief that the electoral process is sacred in a democracy and the vote of the individual must be protected from those who would seek to either deny, or alter it.

We are grateful for the invitation to observe this election which was extended by both major parties. We have been moved by our experience and by the deep dedication of the vast majority of the Filipino people to the principles of democracy, and the sanctity of the electoral process. Wherever we went in the Philippines, people came up to our delegation members to thank us for coming. Some expressed surprise that we would travel so far to offer our moral support to their efforts to keep the electoral process free and honest. All of us were deeply heartened by these expressions of gratitude.

Over the past week our delegates from 19 nations and a wide range of political and ideological viewpoints have observed the electoral process in 15 provinces of the Philippines. These areas were selected on the basis of past history of election irregularities and with an eye toward maintaining political balance. We have been careful to remain impartial, and to distinguish personal observation from hearsay and fact from rumor. We have also been able to reach a consensus among each of our teams in evaluating the election in these provincial areas. We have come here today, as we said we would, to offer our observations, not our final assessment.

We have begun with the premise that an election is the mechanism by which citizens individually and collectively express the will of a nation. We recognize that irregularities occur to some extent in all democratic nations. The question that must be addressed by all who cherish democracy is whether malpractice occurs to such an extent as to invalidate an election result. This judgment can only be made after careful analysis of the election returns against documented reports of malpractice. We are obviously not prepared now to make that critical judgment.

Our teams have reported on areas of the country where the balloting and counting have gone smoothly and without incident. Members of the delegation have compared these areas favorably with elections held in other parts of the world.

However, in other areas, we have observed practices which compare far less favorably. Occurences of vote buying, intimidation and lack of respect for electoral procedures were present, and were observed by members of our delegation. Attempting to ascertain the impact of these activities which are illegal under Filipino law must await the final result of the election.

A critical aspect of any election is the dissemination of the results. and the credibility attached to those results. Forty-eight hours after the vote we note that there are a number of competing counts which are damaging to the credibility of the process. One of the problems in this regard has been the failure of the COMELEC-NAMFREL "PARTNERS" agreement which was originally crafted to provide reliable and credible results. Our observations suggest that the resolution of the information problem is critical in ensuring national confidence in the results of this election. Regarding the official count and canvas, certain delays are occuring. Some of these have been caused by legal challenges to election returns wherein discrepancies have been found. Other delays are taking place which seem to have no basis in law. We will continue to study this problem, and to look for patterns to see whether these delays result in a shift of votes.

The activities of NAMFREL have been the focus of much attention and commentary by the government and the media. Our observations have been that the vast majority of NAMFREL volunteers in the regions we have covered have acted in a non-partisan, professional manner. Many have risked a great deal to preserve the integrity of the electoral process.

The electoral anomalies which we have witnessed are serious and could well have an impact upon the final result. These anomalies fall under two categories: those which can be termed "irregularities" and those abuses which are clearly intended to affect the outcome of the election.

Under the category of irregularities, we begin by taking note of the fact that this was a snap election and there was not much time to prepare guidelines and training programs for teachers and others who served as members of the Board of Canvass. Our teams reported instances of improperly locked and sealed -- or unlocked and unsealed ballot boxes and election returns. Instances of ineffective application of indelible ink and other weaknesses in the enforcement of safeguards designed to prevent double-voting were observed and reported by our teams. Of great concern are reports that thousands of voters -- particularly in the Manila area -- were not able to vote because their names were not on the registration list.

In the category of abuses designed to affect the outcome, we saw many instances of vote-buying, attempts at intimidation, snatching of ballot boxes, and tampered election returns. In some areas NAMFREL, the accredited arm of COMELEC, was excluded from polling stations in violation of a range of previous agreements reached regarding access of the citizens' arm. There were also some limited areas in which the system of safeguards seemed to break down completely, and those who held responsibility for adjudicating complaints were either unavailable, or unresponsive.

We cannot determine at this point whether the extent of this activity will affect the overall results of the election, but the potential exists, and we would be remiss if we did not publicly acknowledge this fact. We will keep a team of technical experts in Manila to continue to collect information, analyze results, and observe the activities of those institutions which are designed to provide redress under the law.

We close today by underscoring our support for the democratic aspirations of the people of this great nation. The ultimate judgment as to the validity of this election -- and hence its ability to facilitate reconciliation and stability -- rests with the Filipino people. We stand with them in their fervent hope that the final result will reflect their will. Many thanks.

Q1: Could you summarize for us in your own words what you think your basic findings are in terms of -- what probability do you give that this election was a fair and accurate reading of the people's will?

John Hume: What we're essentially saying in this statement is that it is not a question of whether there were electoral abuses. It is a question of the extent of them, and whether they were extensive enough to affect the final outcome of the election, and to distort the popular will of the people of the Philippines. We are saying that in all the areas that we were invited to observe -- registration of voting, vote-buying and bribery of voters, switching of ballot boxes, and changing the ballots within them, and counting procedures -- that we have found evidence of serious malpractice. We cannot make a final judgment as to what effect those malpractices will have on the final outcome until we actually see what that final outcome is.

Q2: You have identified here a lot of doings, wrongdoings. Can you identify the wrongdoer's please?

Hume: Well, we think it not unfair to say that the wrongdoings that we identified were largely carried out in local areas by local officials who were supporters of the government.

Q3: Sir, you gave a fairly strong endorsement of NAMFREL in you statement --

Hume: Yes.

Q continues: but NAMFREL accuses COMELEC of favoring the president: COMELEC accuses NAMFREL of favoring Mrs. Aquino. Do you think either one or perhaps both of those accusations are accurate to some extent?

Hume: Well, we think that the difference of opinion that has risen between COMELEC and NAMFREL is a fairly crucial difference of opinion; because as we say in our statement, one of the most important and crucial aspects of this election was the counting process and the information process of delivering the results to the Filipino people. And any delay in that is something that is bound to cause concern. We were guaranteed that at midnight on the night of the election, 40 percent of the votes would be counted. We were guaranteed that by both NAMFREL and COMELEC. Two percent were counted at that time, and there clearly has been a slowness in the providing of information to the public in the Philippines, who are the people who most want to hear that information, because they are the people who are most affected by it. The breakdown between those two bodies, the partnership agreement which we regarded as something crucial and important to the provision of information to the Filipino people, has meant that the media is the major source of information, and the television in particular, and I hope you're not going to ask me to comment on the impartiality of television in this country.

Q4: Looking at the infractions that you mentioned, and the deaths you didn't mention, and the controversies surrounding the tabulation process, many people have concluded this is just about the dirtiest campaign and election that they've ever seen --

Hume: Yes. Well, I'm afraid I have to admit that I have never participated in a Philippine election before, in order to be able to make a comparison between this and previous elections. We are most anxious that as an international observer team what we say would have credibility. And therefore what we have come to do is observe this election, not compare it to other ones which we didn't observe.

Q5: Do you feel that you have to step lightly -- that you have to be careful what you say?

Hume: No, we feel that we have to tell the truth as we see it. And we feel that it would not be credible if we as an international and objective team were to say tonight that the malpractices that we have found were sufficient as to distort the election result, when we haven't yet seen the election result. There are other reasons, for the moment, for our prudence which, no doubt, you may be all aware of as well, in that there are -- depending on the outcome of this election, there's a lot of political options facing the political leaders in this country. We don't wish in any way to interfere in that process, or indeed to give justification to the choosing of political options, and I'm not going to be any more specific than that.

Q6: Would you assess the role that the domestic news media has played in this campaign both before the election and after?

Hume: Well, I think that we will be giving a full assessment of that. It's one of the areas in our final report that we will be giving an assessment to. I've spent most of the time in Manila, and I spent most of my time getting my information from television in Manila, which accounts for the personal observation that I have made, which I don't think too many of you disagree with.

Q7: Why do you have to wait for the results to judge? Can you tell me why?

Hume: We have said, clearly and unequivocally, that serious malpractices have taken place in a number of areas, including widespread purchase of votes. What we have also said is that we do not know whether the extent of that malpractice was such as to distort the popular will of the Filipino people. That is a statement of fact and common sense. We are not in a position to make that judgment; we haven't seen the final result. We are watching three counts proceeding at the moment, or what we are told are three counts.

Q8: Could we ask you if any of you, any members of the panel saw anomalies performed by the Opposition?

Hume: All our delegates are here, and we chose the areas to which we sent people carefully, and in a balanced way, and we don't have any evidence, any such evidence.

Q9: Sir, could you assess the seriousness of the problem in which voters were not on the list and could not vote? Were these problems only taking place in provinces that favored the Opposition?

Hume: We have complaints from different parts of the country of two aspects of voter registration. One, people who weren't on registers that they should have been on, absent voters if you like, and others, voters -- ghost voters, as they call them in this country -- and there's both of those. Now, we have no means of assessing at the moment which side was responsible for this. We simply know that there is a serious problem in that area, and that we have to assess that whenever we see it. For example, I'll give you an example of the practical problem I'm talking -- I myself visited a polling site at a school in Manila. There were 78 precincts in that school, and I was rather surprised at the fact that that means 25,000 voters. If you look at the hours of election, that's eight hours to cast 25,000 votes at 3.000 votes an hour. That's an awful lot of votes in the hour. But we saw clear evidence in that school that the poll watchers for both NAMFREL and the Opposition were removed. In order to draw a conclusion from that, that that was done in order to determine fraud, we would need to see the results from that school.

Q10: I'd like to follow that up. Would you say that there has been a significant amount of disenfranchisement? Could you provide some adjectives, has the fraud been widespread, has there been serious amounts of intimidation? I mean this report reads like the result of some committee where you're trying to please everyone there. Was there a difference of opinion in the committee about what the conclusion should be?

Hume: No, there was a remarkable consensus and this body of delegates includes 44 people from 19 countries from a wide spread of political opinion, and there was a remarkable consensus on our statement this evening. You're asking me for adjectives. I think it's a serious matter in any country when there is this sort of widespread electoral malpractice. By the way, could I add that I think these things are only a symptom, because it is very self-evident to anybody who has been in this country recently, and it must have been self-evident to yourselves, that there exists among the Filipino people. a large section of the Filipino people, a serious distrust of the electoral process as it is practiced. I think that is self-evident to anyone. It's self-evident from the very existence of a national citizens organization for fair elections. And for anybody watching those volunteers in action, and watching Filipino women protecting ballot boxes, and the determination and the commitment to the sacredness of the fundamental democratic act, the casting of a vote, is an expression of a deep -- first of all -- a deep sense of what democracy should be, and an expression that they fear that they can't trust the process. And that is what they are saying themselves. That's not what we are saying. And that is a serious matter which must be addressed by the leaders of this country. And it doesn't require electoral malpractice to show that in fact that feeling exists, and if that existed in any society, any democratic society, it would be a very serious matter indeed.

Because democracy is not about majority rule. It's not about holding all power in the hands of one section of a population. It's about majority rule with the consent of the community as a whole, and when that consent is withdrawn or in doubt, then a society is in danger, and that is what I think is the major concern of the people of this country. and it has to be addressed by their leaders and by the Filipino people themselves. and as our statement says clearly, the final and only judgment that really matters in this election is the judgment of the people of this country.

Q11: Sir, it seems to me that there is a strong possibility that we will have two totally different electoral results --

Hume: Yes.

Q continues: so what is your comment? Who is the one who is cheating?

Hume: He said the strong possibility is that we'll have two conflicting results to this election, leading to the conclusion that somebody has been cheating. I would suggest that if there were two conflicting results, it would be very obvious that somebody was cheating. And he wants to know who we think it will have been. That is, as President Pastrana is pointing out, we underlined in our statement, that's where the importance, and the crucial importance for this election, for its results and for the transmission of the information to the Filipino people was so crucial that the maintenance of that partnership between COMELEC and NAMFREL and the breakdown of it, and whatever the reasons for the breakdown of it, are also crucial. We can only wait and see what the real reason behind all that was. We're not in a position to comment.

Q12: What are your thoughts about why the COMELEC-NAMFREL agreement broke down and why it broke down completely?

Hume: I think I've just answered that question in my last couple of remarks, really.

Q13: Why do you have to wait until a president has been determined by the election to decide whether this election is credible or not? Are you saying that we have to wait and see if President Marcos wins and therefore decide on whether it was credible or not?

Hume: No, no, I'm not saying any such thing. I'm just telling you the reality, which is, there is no democratic country in the world where there are not electoral abuses. It happens everywhere. But the real question is, how extensive are they, and are they so extensive that they actually distort the result of the election, and the popular will of the people? We're not dodging anything by stating that. That is a factual position. If we were to say anything else, our position would not be credible, and we would not be behaving as objective international observers.

Q14: Can't you at least say that there's deliberate acts by the government? You say you can't say the extent of the fraud or the irregularities --

Hume: Look, look, you write your own headlines, right? You write your own headlines.

Q15: The past few hours, President Marcos has moved ahead in the COMELEC tallies, and in fact, Commissioner Opinion says that as of 24 hours ago, he had almost a half-a-million-vote lead on an unofficial COMELEC count --

Hume: Yes.

Q continues: does that say something to you, that 48 hours after the election, suddenly a surge is happening?

Hume: Well, the fact that the COMELEC total is different from the NAMFREL total tells me that there's something wrong, yes.

Q16: That it surged say something to you also?

Hume: I'd have to be very honest with you. I haven't been watching Channel 4 all day today.

Q17: Mr. Hume, can you please comment on alleged abuses by the military during this election?

Hume: Abuses by the military in this election?

Q continues: Yes, and the role of the military in this election?

Hume continues: We had one report in one military center about irregularities but we would -- and in a southern part in Mindanao of irregularities involving the military.

Q18: Mr. Hume, when you said that your final decision -- the decision of the group would depend on results, does that mean that you have already figured out the number of votes that have been stolen and therefore the spread between the result that perhaps Mr. Marcos would get legitimately and the number of votes he comes up with, and what if that spread gives him the election, then you will decide that the will of the people has not been heard? Do you have a figure that you can tell us, of numbers of votes that you think have been stolen?

Hume: No, I'm not going to give you such a figure. Look, we're dealing in a common-sense situation and we've got a lot of common sense, most of us, and -- over 200 polling stations encompassing fifteen hundred precincts -- that's what we monitored, right? Now, there are 90,000 precincts in this country, and there's 7,000 islands in this country. We are only sampling, right? So we've got to make intelligent judgments based on the facts at our disposal and based on the final results. I've already given you one example; for example, the polling station I mentioned where the Opposition is put out of a station. Quite clearly, the significance of that will only be determined when we see the results from that station.

It's also significant when you see, as we have seen, in some areas, all the votes from a particular ballot box going to one candidate, and none to the other. Apart from the fact that that's statistically impossible, the poll-watching clerk for the candidate who got none asked the question, where is my vote, which is a very intelligent question. Now, if we are going to judge how widespread that is over the whole country, then it's useful to see the returns from every precinct, to see how many places that happened over the whole country, not just in a number of places where we happened to be present when it happened. That's going to tell us a lot about and enable us to make an intelligent estimate of the number of fraudulent votes. And that measured against the final result, is how you make up your mind.

Now, it would be very easy for us, given our different political opinions -- and we do have political opinions, some of us -- to come here and express them, in particular in relation to the internal politics of the Philippines. That's not part of our job. Neither is it part of our job to use the facts that we have to do that. What our job is is to independently observe this election and report on what we see and that is what we're doing. And what we're saying, and we're saying it very clearly and unequivocally, that we have found evidence of malpractice in all the areas we have mentioned, and that it depends on the final results as to whether that, in fact, will affect the popular will of the people of the Philippines. And I'm not going to increase or subtract from that statement, because that's the central point that we are making in our statement.

Q19: Mr. Hume, did you or any of the delegation run into any interference, or abuse, or any unpleasantness from any group or individual, in trying to make your rounds?

Hume: Well, I think that our general experience was very interesting and our general experience, which I would suggest might have been the experience of yourselves as well, was that people walked up to us, shook hands with us in very large numbers, and thanked us for being here.

Q20: Nothing specifically untoward, though?

Hume: There was nothing very much. In some areas where there would be a bit of tension, that might be reflected in attitudes to us, but there was nothing organized. We would say that we were well-received by all sides, because it was quite clear from the accreditation that we wore that we were international observers.

Q21: Mr. Hume, are you and your co-president planning to stay here in Manila till the final results are in, or are you going to leave before?

Hume: Well, if we knew when they were going to be in, we could plan... We are leaving behind a team of technical experts to continue the assessment for us, and when we are satisfied that we have all the data that we need to draft our final report, we will come together to do so.

Q22: Mr. Hume, what effect do you hope your conclusions will have or who do you hope they will affect? Are you going to be presenting your findings to anyone formally, and --

Hume: No.

Q continues: could you answer the big "so what?" about -- your conclusions sound correct to me but what will you do with them?

Hume: Well, you could well be right, so what? We were invited here and we came, and we have observed, and we will report. But as I said, and as the statement says, the real judges of this election are the people who have to live with its results, are the people of the Philippines. They are the real judges. The rest of us can and we will, as we have been invited to do, we will give your report, and we hope, and it is our hope, that that report will assist the people of the Phillipines in developing and preserving the democratic process in their country.

Q23: You will not present this report formally to any -- ?

Hume: We don't present it to anyone, no. We will make it available to the public via your good selves. Thank you very much, everybody.

Q24: One more question, Mr. Hume. Could you please identify the Manila voting center you visited where NAMFREL representatives were pulled out of the center?

Hume: A place called Tejeros. (End transcript)

CATHOLIC BISHOPS' CONFERENCE OF THE PHILIPPINES
POST ELECTION STATEMENT

INTRODUCTION. The people have spoken. Or have tried to. Despite the obstacles thrown in the way of their speaking freely, we, the bishops, believe that on the basis of our assessment as pastors of the recently concluded polls, what they attempted to say is clear enough.

THE CONDUCT OF THE POLLS. In our considered judgment, the polls were unparalleled in the fraudulence of their conduct. And we condemn especially the following modes of fraudulence and irregularities.

1. The systematic disenfranchisement of voters. The sheer scrambling of the voters' lists made it impossible for vast number of our people to express their proper preference of candidates.

2. The widespread and massive vote-buying. The vote-buyers in their cynical exploiting of the people's poverty and deep, if misguided, sense of utang na loob deprived a great many of any real freedom of choice.

3. The deliberate tampering with the election returns. The votes of the people, even when already duly expressed and counted, were altered to register choices other than their own.

4. Intimidation, harassment, terrorism and murder. These made naked fear the decisive factor in people not participating in the polls or making their final choice. These and many other irregularities point to a criminal use of power to thwart the sovereign will of the people. Yet, despite these evil acts, we are morally certain the people's real will for change has been truly manifested.

GOVERNMENT BASED ON THE POLLS. According to moral principles, a government that assumes or retains power through fraudulent means has no moral basis. For such an access to power is tantamount to a forcible seizure and cannot command the allegiance of the citizenry. The most we can say then, about such a government, is that it is a government in possession of power. But admitting that, we hasten to add: Because of that very fact, that same government itself has the obligation to right the wrong it is founded on. It must respect the mandate of the people. This is precondition for any reconciliation.

RESPONSE IN FAITH. If such a government does not of itself freely correct the evil it has inflicted on the people then it is our serious moral obligation as a people to make it do so.

We are not going to effect the change we seek by doing nothing, by sheer apathy. If we did nothing we would be part to our own destruction as a people. We would be jointly guilty with the perpetrators of the wrong we want righted.

Neither do we advocate a bloody, violent means of righting this wrong. If we did, we would be sanctioning the enormous sin of fratricidal strife. Killing to achieve justice is not within the purview of our Christian vision in our present context.

The way indicated to us now is the way of non-violent struggle for justice.

This means active resistance of evil by peaceful means -- in the manner of Christ. And its one end for now is that the will of the people be done thnough ways and means proper to the Gospel.

We therefore ask every loyal member of the Church, every community of the faithful, to form their judgment about the February 7 polls. And if in faith they see things as we the bishops do, we must come together and discern what appropriate actions to take that will be according to the mind of Christ. In a creative, imaginative way, under the guidance of Christ's Spirit, let us pray together, reason together, decide together, act together, always to the end that the truth prevail, that the will of the people be fully respected.

CONCLUSION. These last few days have given us shining examples of the non-violent struggle for justice we advocate here:

-- The thousands of NAMFREL workers and volunteers who risked their very lives to ensure clean and honest elections;

-- The COMELEC computer technicians who refused to degrade themselves by participating in election frauds.

-- The poll officials -- registrars, teachers, government workers -- who did their duty without fear or favor;

-- The millions of ordinary voters who kept the sanctity of their ballot untarnished, their dignity intact.

-- Radio Veritas and fearless press people who spoke and reported the truth at all times.

Men and women of consdence, all. We cannot commend them highly enough.

There are thousands of their kind among government officials in the Batasan, the military, the COMELEC, among millions of our people who in the face of overwhelming odds voted and acted as their conscience dictated. Are there other men and women of conscience who will stand up like them and courageously confess their Christianity?

Now is the time to speak up. Now is the time to repair the wrong. The wrong was systematically organized. So must its correction be. But as in the election itself, that depends fully on the people; on what they are willing and ready to do. We, the bishops, stand in solidarity with them in the common discernment for the good of the nation. But we insist: Our acting must always be according to the Gospel of Christ, that is, in a peaceful, non-violent way.

May He, the Lord of justice, the Lord of peace, be with us in our striving for that good. And may the Blessed Virgin Mary, the Queen of Peace, and patroness of our country, assist us in this time of need.

For the Catholic Bishops' Conference
of the Philippines

+RICARDO CARDINAL VIDAL
Archbishop of Cebu
President
Catholic Bishops' Conference of the Philippines

February 13, 1986
Manila

ONE TRAGEDY OF THE ELECTION: 3.3 MILLION VOTERS DISENFRANCHISED

* JOSE CONCEPCION, JR.
NAMFREL NATIONAL CHAIRMAN

(SUMMARY POINTS OF TALK DELIVERED BEFORE THE MANILA JAYCEES ON FEB. 18, 1986 AT THE CENTURY PARK SHERATON, MANILA.)

1. AS WE LOOK BACK ON OUR EXPERIENCE OF THE FEB. 7 ELECTION, AND ON THE BASIS OF OUR DEBRIEFINGS WITH THE REGIONAL AD PROVINCIAL CHAIRMEN OF NAMFREL FROM DIFFERENT PARTS OF THE COUNTRY, ONE THING IS CLEAR: NEVER HAS A MORE VIGILANT POPULACE WITNESSED A MORE PERVASIVE TRAVESTY UPON THE SANCTITY OF THE BALLOT IN OUR HISTORY.

2. THERE HAVE BEEN MANY TRAGIC EVENTS IN THIS ELECTION, ALL OF WHICH COMBINED HAVE HAD A STAGGERING AND TELLING EFFECT ON THE EMERGENCE OF THE TRUE WILL OF THE PEOPLE. TO WHAT EXTENT THIS EFFECT HAS BEEN WE PROBABLY WILL NEVER BE ABLE TO FIN OUT FULLY. BUT ONE TRAGEDY OF THE ELECTION THAT IS OFTEN OVERLOOKED IS THE LARGE-SCALE DISENFRANCHISEMENT THAT HAS TAKEN PLACE, WHICH CAN GIVE US AN IDEA OF THE IMPACT UPON THE WILL OF THE PEOPLE.

3. THE TOTAL NUMBER OF VOTERS REGISTERED FOR THE FEB. 7, 1986 ELECTION IS 26,181,829 BASED ON COMELEC. HOWEVER, THE ACTUAL NUMBER OF VOTES FINALLY CANVASSED BY THE BATASAN IS 20,150,160, REPRESENTING ONLY 76.96% OF TOTAL REGISTERED VOTERS. IF THIS IS TO BE BELIEVED, THE ELECTION JUST HELD

MUST HAVE HAD ONE OF THE LOWEST, IF NOT THE LOWEST, NUMBER OF ACTUAL VOTES COUNTED FOR THE PRESIDENCY AND VICE PRESIDENCY.

4. IN THE 1984 BATASAN ELECTION, IN SPITE OF A STRONG AND WELL-ORGANIZED BOYCOTT CAMPAIGN, THE ACTUAL NUMBER OF VOTERS WAS 89.46% OF THE TOTAL REGISTERED VOTERS. IF WE ARE TO ASSUME CONSERVATIVELY THAT THE SAME PERCENTAGE WOULD HAVE VOTED IN THIS ELECTION, IT WOULD MEAN AN ACTUAL NUMBER OF VOTES OF AT LEAST 23,422,264. COMPARING THIS WITH THE ACTUAL NUMBER OF VOTES CANVASSED BY THE BATASAN, WE CAN ESTIMATE THE EXTENT OF DISENFRANCHISED VOTERS AT 3,272,104. IN OTHER WORDS, ABOUT 3.3 MILLION VOTERS WERE NOT ABLE TO VOTE IN THIS ELECTION.

5. THE DISENFRANCHISEMENT OF VOTERS WAS EFFECTED BY SEVERAL MEANS, OF WHICH THE MAJOR ONES WERE THE FOLLOWING:

- REVISED LISTING OF THE VOTERS LISTS. (SCRAMBLING) - TO THE EFFECT THAT MANY VOTERS COULD NOT FIND THEIR NAMES IN THE LIST OF THE PRECINCT WHERE THEY HAVE BEEN VOTING IN ALL THE TIME, OR IN ANY OTHER LIST.

- SLOWDOWN IN VOTING PROCEDURES - WHERE ADDITIONAL STEPS (SUCH AS SIGNING OF 4 VOTING RECORDS INSTEAD OF ONE) WERE REQUIRED ALL OF A SUDDEN, SUCH THAT LONG QUEUES FORMED AND MANY NEVER MADE IT TO THE 3 P.M. DEADLINE.

- LATE OPENING AND/OR EARLY CLOSING OF THE POLLING PLACE - IN VIOLATION OF THE 7 A.M. - 3P.M. VOTING HOURS.

6. BUT PERHAPS THE MOST SINISTER ASPECT OF THE DISENFRANCHISEMENT IS THE EMERGING PATTERN THAT IT SEEMS TO HAVE TAKEN PLACE LARGELY IN OPPOSITION-ORIENTED AREAS.

- IN THE 10 CITIES AND PROVINCES WHICH HAD THE HIGHEST PERCENTAGE OF ACTUAL VOTES CANVASSED AS AGAINST REGISTERED VOTERS, THE WINNER WAS THE RULING PARTY. (SEE CHART).

- IN THE 10 CITIES AND PROVINCES WHICH HAD THE LOWEST PERCENTAGE OF ACTUAL VOTES CANVASSED AS AGAINST REGISTERED VOTERS, THE WINNER WAS THE OPPOSITION (SEE CHART), EXCEPT IN 2 INSTANCES (LA CARLOTA CITY AND MAKATI).

7. FROM ALL OF THESE FIGURES, WHAT WE WANT TO POINT OUT IS THAT THE MASSIVE DISENFRANCHISEMENT OF VOTERS, TOGETHER WITH ALL THE OTHER MEANS USED TO THWART THE WILL OF THE PEOPLE, HAVE A COMBINED IMPACT THAT WOULD HAVE AFFECTED THE MARGIN, IF NOT THE OUTCOME, OF THE ELECTION.

8. AND IT IS PRECISELY TO GUARD AGAINST THESE HOSTILE FORCES THAT SO MANY OF OUR NAMFREL VOLUNTEERS BRAVELY MOVED OUT TO THE BATTLEFIELD ON ELECTION DAY. IT IS PRECISELY TO ASSURE THAT THE OUTCOME OF THE ELECTION REFLECTS NO MORE AND NO LESS THAN THE TRUE WILL OF THE PEOPLE THAT SO MANY OF THEM WERE BEATEN UP, SLAPPED, PUNCHED, STONED, SHOT AT, BODILY THROWN OUT OF POLLING PLACES, SURROUNDED AND TERRORIZED BY ARMED MEN. THREE OF THEM WERE KILLED IN THE LINE OF DUTY.

9. WE IN THE AFTERMATH OF THE ELECTION CAN DO NO LESS THAN TO PLEDGE OURSELVES TO THE IDEALS THAT THEY DIED FOR. WE CANNOT TRAMPLE UPON THEIR MEMORY BY ACCEPTING THE OUTCOME OF AN ELECTION THAT HAS NOT BEEN CLEAN AND HONEST. WE CANNOT ALLOW THEIR SUPREME SACRIFICE TO HAVE BEEN IN VAIN. WITH FAITH IN GOD AND CONFIDENCE IN EACH OTHER, WE SHALL CONTINUE THE FIGHT IN THE MOST PERILOUS DAYS STILL AHEAD.

-o-

The National Citizens' Movement for Free Elections or NAMFREL, a non-partisan, volunteer organization whose primary objective is the holding of clean elections, was given a first crack at its objective on May 14, 1984 – election day for the 183 members of the First Regular Session of the Batasang Pambansa (Philippine Parliament). Confronted by skeptics and doubting thomases from both the opposition and government ranks, the boycott movement and other groups who were out to discredit the whole democratic process, the NAMFREL stood its ground and found strength in its motto: "It is better to light a candle than to curse the darkness".

With a group of leaders whose credibility and dignity were unquestionable, the NAMFREL found its allies in the civic, professional, educational, and church organizations whose memberships supported NAMFREL's crusade to restore the Filipino people's faith in the ballot's power as the most appropriate vehicle to express (not just protest) their aspirations.

In this debut article, Christian Monsod, NAMFREL Chairman of Metro Manila and a businessman, talks about the vigilance of NAMFREL's 200,000 volunteers throughout the country, the effectiveness of NAMFREL as he compares its performance vis-a-vis its objectives, and finally, NAMFREL in the future.

NAMFREL-Testing Democracy at the Grassroots

by CHRISTIAN S. MONSOD

May 14, 1984 was a significant day for the Philippines. It was election day for 183 members of the Batasan Pambansa (parliament), the first regular legislative body since 1972. It was also a day of foreboding.

In the face of a highly visible boycott movement and the obvious use by the KBL of all the resources at its disposal, including those of the government, many political and media analysts were prepared to predict that the elections would confirm the optimism of the President and the First Lady for a KBL landslide. President Marcos said the opposition would be lucky if 30 of its assemblymen would be elected and the First Lady went on record that Metro Manila, under her campaign generalship, would elect all 21 KBL candidates.

More important, however, than just the results of elections was the question on whether the electoral process itself would remain a viable option for the expression of the people's will. The sentiment of the people seemed to be oppositionist in the face of the Aquino assassination and the economic crisis. Yet, there were equally clear signs that the KBL political machinery was still intact and the government was not prepared to allow a dilution of its power through a decisive opposition performance at the polls. If the elections were patently manipulated, would the people accept it as docilely as in previous years? In the ultimate analysis, democracy was going to be tested in the country and the question was, would it survive?

What happened on election day was unprecedented and, in many ways, unexpected. There was overwhelming participation, perhaps as a form of protest but a clear choice for peaceful electoral processes nonetheless. While the opposition may have won a majority of the seats contested, or perhaps even of the batasan, if results of doubtful validity turn out to have been won by the opposition, the elections for about 65% of the seats were sufficiently free from anomalies to be considered valid. And even in those districts with questionable results, there were numerous instances where the people refused to be cowed and, in fact, are still pursuing their protests with vigor i.e., Antique, Nueva Vizcaya, Pampanga, Northern Samar, to name a few.

Democracy did survive, however tenuously. The people did give it a chance and seem to be willing to continue doing so. One of the institutions responsible for making the 1984 elections a hopeful experience for the country was the National Citizens Movement for Free Elections (NAMFREL).

NAMFREL is a non-partisan, volunteer organization whose primary objective is clean elections. It had its antecedent in an organization of the same name in the early 1950s which went out of existence in the later years of the decade. Various other movements were subsequently organized for the same purpose among them CNFA and CINA-CORP. Shortly after the Aquino assassination, a new citizens group was organized by Jose Concepcion Jr., a businessman, who had made clean elections a personal crusade for 17 years and who was also one of the founders of the Citizens League for Good Government in the sixties. After undergoing several changes, the name NAMFREL was adopted in November 1983 with the permission of its original chairman. In the context of the country's electoral history of the past 12 years, it was a most unlikely candidate to succeed in what seemed like a quixotic mission.

NAMFREL was criticized by both the government (as favoring the opposition) and the boycott movement and the leftist elements (as being naive tools of the government and the U.S.). A Jesuit priest who headed a city chapter in Mindanao answered the critics, "We are partisan only for truth, justice and elections." But NAMFREL survived both attacks mainly by ignoring them. It adopted the motto, "It is better to light a candle than to curse the darkness", moved on and found vindication in its own performance.

From a longer perspective, the obvious questions are: How effective really was NAMFREL? Did it achieve its stated objectives? What was the NAMFREL phenomenon and what is its future?

NAMFREL effectiveness

There is ample evidence that NAMFREL's pollwatching activities did make a difference in the elections. One only has to listen to the comments of candidates such as former Justice Cecilia Muñoz-Palma ("NAMFREL is the miracle of the 1984 elections") and many others who considered their victory a triumph as well of NAMFREL's vigilance. But, there were also detractors, such as one provincial candidate who called it "Tamfrel" and a Metro Manila mayor, whose KBL candidate lost by a wide margin, who publicly stated, "We would have won had it not been for NAMFREL."

How does one measure effectiveness?

NAMFREL classified the electoral districts according to a rating of 1 to 5 in which those rated 1, 2, and 3 were districts in which the elections may be considered valid either because there were no anomalies or they were insufficient to materially affect the results. Category 4 was composed of those districts where disorderliness and suspected fraud were of such a magnitude that they could have materially affected the results and Category 5 were those in which elections may be considered a failure.

In addition to these five categories there were 9 electoral districts with ten seats in which NAMFREL had no meaningful presence for various reasons, including physical prevention by local officials or lack of volunteers because of the peace and order situation or overwhelming control by government forces.

NAMFREL's assessment is that the elections for about 125 seats, classified under categories 1, 2 or 3 may be considered valid. The elections for 48 seats were classified under categories 4 and 5 and were, therefore, of doubtful validity. A correlation of the election results according to party affiliation and the ratings of 1 to 5 resulted in the following:

- In the districts where elections may be considered valid, categories 1, 2 and 3, the KBL won 49% and the non-KBL won 51% of the seats (62 vs. 63 seats respectively).
- In districts rated as 4, the KBL won 70% and the non-KBL won 30% of the seats (15 vs. 6). In the districts rated as 5, the KBL won 89% and the non-KBL 11% of the seats (24 vs. 3).
- For the 10 seats in which NAMFREL had no canvassing for one reason or another, all 10 seats were won by the KBL.
- In Metro Manila, the region where NAMFREL was probably most organized with about 30,000 volunteers, the opposition took 15 of

the 21 seats with another seat won by the KBL being considered highly questionable for failure of election.

Performance vs. Objectives

NAMFREL was accredited by the Commission on Elections (COMELEC) as its citizen arm in November 1983. It had six months to organize and train volunteers to man about 85,000 voting centers all over the country not only on election day but also during four days of registration.

A new list of voters was authorized by the Interim Batasan Pambansa which would be valid for 12 years. It was obvious that if elections were to represent the true will of the electorate, that old list had to be purged of flying voters roughly estimated at about 4 million.

The new registration of voters was only one of several institution-building legislation advocated by NAMFREL. It also helped bring about, among others:

a) an amendment to the Constitution that members of the Batasan are to be elected by province or district rather than by region;

b) changes in legislation that enabled the opposition to qualify for accreditation and thereby be entitled to inspectors in the citizens' election committees;

c) discontinuance of the system of block voting;

d) the enactment of a 1984 election code that contained at least 15 critical procedural amendments to protect the integrity of the ballot;

e) the withdrawal of the proposal to increase the number of Batasan members from 200 to 230, with the additional thirty to be appointed by the President rather than elected;

f) the withdrawal of a proposal that would give undue advantage to incumbent assemblymen over new candidates by giving the former the right to run anywhere in the region as an exception to the residency rule;

g) the introduction of a provision that gave immunity to persons from questioning, arrest or detention during and after the campaign period for alleged violations of law and decrees pertaining to the security of the state;

h) appointment of two commissioners to the COMELEC, bringing up their number to seven out of the nine positions.

While not all proposals of NAMFREL were given due course, particularly the repeal of Amendment 6 (which gives the President absolute decree-making powers) and the appointment of commissioners to the last two vacancies in the COMELEC from a list submitted by civic, professional and educational groups, it was the judgment of NAMFREL that the reforms were sufficient, from the point of view of legislation to make clean elections possible. Many other things had to be done but since elections are processes, procedures themselves constitute the substance of the right to vote.

The other objectives of NAMFREL, in addition to legislative reforms, were a) the creation of an environment and opportunities for new leaders to emerge b) the politicization and mobilization of ordinary citizens in the task of good government and c) after twelve years of an authoritarian government, the need to overcome our self-image as losers unable to determine our own destiny.

The total number of volunteers, coming from all sectors and all walks of life, was about 200,000. Many more appeared on election day, asked for *Bantay ng Bayan* badges and stood vigil, accompanied the transfer of ballot boxes, contributed food and transportation and essentially made themselves useful in many unselfish ways. Many did not even bother to enter their names in the NAMFREL roster and simply worked quietly, effectively and without public recognition.

Stories abound about NAMFREL volunteers, such as the happening in the third district of Quezon City where entire neighborhoods suddenly appeared in a festive community spirit. On the other hand there was an atmosphere of tension and grim determination in such places as Tondo, Nueva Vizcaya, Antique, Tarlac, Muntinlupa and Davao del Norte where a group of citizens who called themselves Villena's Valiants (after the bishop who acted as NAMFREL's chairman for the area) stood their ground against a private army. Nuns manned the most dangerous polls in Pasay, the Ilocos provinces and a dozen other places. Catholic Women's League members, most of them in uniform, watched for hours beside lawyers, doctors and businessmen. The women were the staunchest and most persevering volunteers. And then there were the youth.

In Metro Manila, the youth volunteered in large numbers, particularly in Quezon City, Makati, Taguig and Pasay. On the eve of elections, in a barangay in the fourth district of Quezon City where no volunteers could previously be found, an urgent call came for a trainor at 8:00 p.m. The volunteers turned out to be about thirty young people, some in their teens, who had previously worked for the boycott movement but had decided at the last minute to do "something constructive". In Makati and Taguig, groups of young volunteers from poor neighborhoods, some of them in law school, confronted barangay captains and their goons with detailed knowledge of their rights under the election law and prevailed, even to the extent of taking pictures of erring barangay officials.

Just as impressive were the family volunteers and the sense of community that they inspired – husbands, wives, children and neighbors in common cause. There were couples from the Christian Family Movement (CFM) who went out almost daily from parish to parish talking about how they want to build a better country for their children. The Manila Jaycees managed to harness church groups in Tondo by appealing to parish priests and conservative lay leaders to follow their leadership in a battle they themselves were facing for the first time. Neighborhood families formed human rings around ballot boxes in Las Piñas to lead them in car pools they themselves had the foresight to organize.

But there was also tragedy. Many volunteers were beaten up. Two were killed in Mindanao, one by the NPA, the other reportedly by a barangay official. This exemplified the risks the volunteers faced from all sides.

And there was endless frustration. The biggest was the unpredictability of the COMELEC. The introduction of a supposedly indelible ink as a safeguard against flying voters was a fiasco since the ink was, for the most part, erasable with plain rubbing alcohol. The question of what really happened has never been answered.

There were stories, too, of courageous and dedicated teachers who acted as chairmen of the citizens election committees. Despite some reports of teacher participation in anomalies, the great majority of the teachers performed admirably in a dangerous and thankless task.

The stories could go on and on.

In the process, new leaders emerged in local communities, more credible than the traditional political "patrons". Ordinary citizens discovered one another and their own power for affirmative action. NAMFREL was mass action at the grassroots that added a new dimension to the concept of institutional-building.

The NAMFREL Experience and the Future

The May elections were only partially successful in terms of ensuring a democratic electoral exercise. Whatever was achieved was due to many factors, of which NAMFREL was only one, albeit a major one in many areas. In this sense, the NAMFREL success was not of its own making. It happened to be there at the right place and at the right time. It helped that its national leadership had credibility and the local chapters attracted just as credible leaders. It helped that civic, professional, educational and church organizations endorsed it fully to their membership. Its greatest attraction was in being perceived by most people as an appropriate vehicle to express, not just protest, their aspirations for peaceful change.

In July 1984, the COMELEC suddenly withdrew the accreditation of NAMFREL as its citizen arm in a meeting to which the lone commissioner recommended by civic and professional groups was not invited. The restoration of such accreditation is unlikely without continued pressure by citizens. Meanwhile, work has to go on for the enactment of a new election code as soon as possible and the filing of exclusion proceedings against multiple registrants. It is estimated that in Metro Manila alone there are at least 400,000 registered flying voters.

NAMFREL hopes to function again as the citizen arm of the COMELEC in the coming elections but will continue to exist with or without accreditation under a *Bantay ng Bayan* theme. At its first public rally on October 19, 1984 in Makati, the movement unfurled its flags that proclaimed its total mission – *Bantay ng Kalayaan, Bantay ng Katotohanan, Bantay ng Katarungan* – Guardian of Freedom, Truth and Justice. Its philosophy will remain the same – non-partisanship, volunteerism, community-based membership and the development of a "moderate" option for non-violent change. Already its chapters ar organizing citizen forums wher Members of Parliament (MPs) ar asked to answer to their constituencie for their performance at the Batas Action committees are pressurin public officials to place greate priority on community problems, suc as the flooding problem in Malabon. . municipal mayor and his baranga captains identified with the KBL hav publicly endorsed NAMFRE proposals, including the repeal c Amendment 6.

Philippine political life will never b the same again after the trauma c martial law, the Aquino assassinatio the rallies and demonstrations, th awakening of the indifferent, th renewed militancy of the labo student and even business sector Above all, are the beginnings of citize empowerment to which NAMFRE was a major contributor. It is phenomenon that must be furth harnessed, by NAMFREL and oth concerned citizen groups, if the task good government is truly eve citizen's responsibility. ●

Attached is a copy of the conclusions, some excerpts and various tables from a report prepared under the auspices of the University of the Philippines with assistance from NAMFREL. The 115-page report was released on January 30, 1986, twenty months after the 1984 Batasan elections.

The report provides the most extensive analysis of the 1984 elections. It was prepared by two political scientists at the University of the Philippines and is offered without endorsement by the Institutes for your consideration.

CONCLUSION

Based on the findings of the study, the May 1984 parliamentary elections was not meant to be free, fair, orderly and honest. There seemed to be a "grand design" deliberately planned and executed to ensure the continued dominance of the ruling party in the regular national assembly. It is even plausible that it is a political strategy designed carefully for the President to continue his strong-man rule without losing the appearance of credible elections.

The significance of the element of credibility in the 1984 political exercise is dictated by the need to fulfill the legitimacy requirement of the present administration as required by the international community. . In this context the loopholes and built-in unfairness in the laws, the plan to pad the registration list specially in Metro Manila, the accreditattion-inspired opposition party in regions which were considered the bailiwicks of the KBL "operation zero," "buy and scare tactic", the lose of the entire governmental structure as an extension of the KBL political machinery, mobilization of the bureaucracy's programs and other resources for partisan purposes, the partiality of the COMELEC shown in certain electoral districts and decisions handed down, all became intelligible as parts of a coherent whole. By his own admissions, the President instructed his own men to let some opposition candidates win to clothe the process with a facade of credibility. This may mean that some opposition candidates must win at the sufferance of some administration candidates.

In view of the above, the electoral process could be regarded as intolerable, out of the 90 electoral districts in the country, 47 (52.2%) could be considered intolerable, 29 (32.2%) as tolerable and 14 (15%) as abusive. In no case was a desired process observed.

As mentioned, the May 1984 Batasang Pambansa elections was not meant to be free, fair, orderly and honest; however, the results were deemed credible. Of the total 183 seats up for grabs, 91 (49.73%) could be regarded as credible, 61 (33.33%) as questionable and 4 (2.18%) failures. Elections failed in Nueva Vizcaya, Makati, Antique and Northern Samar.

These findings suggest that despite the lack of a conducive atmosphere for the free exercise of one's choice in the electoral process, despite the glaring lopsidedness of the electoral contest between contending parties, despite the disorderliness in the administration of various electoral activities and despite some amount of dishonesty in the conduct of the elections, the results in many parts of the country could be taken as a reflection of the people's collective political will.

The credible results that emanated from a generally intolerable process can be largely attributed to the electorate themselves. People's vigilance, especially in the urban areas and other rural areas where NAMFREL chapters provided the organizational vehicle for a potential people power to be real. It is noteworthy that in those areas where elections failed, NAMFREL volunteers were effectively shooed away from performing its functions. Intimidation, harassment and terrorism became the lot of many volunteers in places where the results had been regarded as questionable and failure.

Another area of the electoral process where NAMFREL had contributed to the credibility of the results was the operation Quick Count (OQC). The study also indicates a correlation between delays in canvassing and reporting of election returns and discrepancies between NAMFREL and COMELEC tabulations. At the time people were awaiting auxiously for the election results. The COMELEC's performance lagged far behind that of NAMFREL. Three days after May 14, NAMFREL's OQC project had practically covered all the 183 seats. On the basis of partial results, NAMFREL was able to establish voting trends, record reversals and receive reports of anomalies like tampering with election returns, from its chapters all over the country.

The people's responsiveness to NAMFREL's call for volunteers strongly supports the people's desire for change as discerned from the data on distribution of voters by political party. The inability of the opposition to capture proportionate number of seats with the actual votes cast points to the importance of political organization. The extreme fragmentation within the opposition ranks hurt the opposition's common cause. It is implied that political organization is a necessary condition for the opposition to translate pro-opposition sentiments and votes into number of Batasan seats. On the part of the ruling party, political organization proves to be a necessary but not sufficient condition to win the active consent of the people. One of the ironies in this regard is that the most perfected and well-oiled political machinery was defeated by one of the most disorganized and financially handicapped opposition. What seems to work against the ruling party is the lack of sincerity of the national leadership as perceived by the electorate.

For the emerging new breed of leaders and the higher level of politics they espoused, political organization and sincerity are two requirements they have to fulfill if they are to succeed. The beginnings of a populist approach, issue-oriented perspective coupled with political commitment and dedication to public service have been soun. This development when sustained opens new possibilities to make elections as a meaningful mechanism through which the people can express their collective political will, at the same time, to pass popular judgment on the performance of the incumbent government.

Chart V

Regional Assessment of Electoral Performance By Region
May 1984 Batasang Pambansa Elections

Region/District	Process	Results
Region I	Intolerable	Tolerable
Pangasinan	Intolerable	Credible
Region II	Intolerable	Questionable
Nueva Vizcaya	Tolerable	Failure
Region III	Intolerable	Tolerable
Pampanga	Intolerable	Questionable
Region IV	Intolerable	Credible
Quezon	Intolerable	Credible
Region V	Tolerable	Credible
Albay	Intolerable	Questionable
Region VI	Tolerable	Credible
Antique	Intolerable	Failure
Region VII	Intolerable	Tolerable
Cebu Province	Abusive	Questionable
Region VIII	Intolerable	Tolerable
Northern Samar	Abusive	Failure
Region IX	Tolerable	Credible
Tawi-Tawi	Tolerable	Credible
Region X	Tolerable	Tolerable
Cagayan de Oro City	Abusive	Credible
Region XI	Intolerable	Credible
Davao City	Tolerable	Credible
Region XII	Intolerable	Tolerable
Lanao del Norte	Tolerable	Credible

THE PHILIPPINES

The Philippines has a presidential-parliamentary system of government headed by Ferdinand Marcos, President since 1965. Through his personal power, control of the ruling party, and use of emergency decree powers granted by the Constitution, President Marcos has dominated the political arena. The President is elected to a 6-year term and may succeed himself indefinitely. The Government includes a Prime Minister and a unicameral legislature, the National Assembly. National Assembly members are elected to 6-year terms not coinciding with the term of the President. Elections for President and Vice President are set for February 7, 1986.

The Filipino people have a longstanding attachment to democratic principles and institutions, fostered by the legacy of the American colonial period, which began in 1898. From independence in 1946 until 1972 the country was governed under its 1935 Constitution, patterned closely after the United States Constitution. In 1972, President Marcos declared martial law, citing anarchy, lawlessness, urban terrorism, and open rebellion by both Muslim separatists and the New People's Army (NPA), the military wing of the Communist Party (not Moscow-oriented) of the Philippines (CPP). Democratic institutions were suppressed under martial law. The 1935 Constitution was replaced by one ratified in 1973, in a series of controversial "Citizens Assemblies." In 1981, after new constitutional amendments had redefined the presidency, Marcos was reelected to a 6-year term. Although martial law formally ended in 1981, Marcos has continued to exercise broad, discretionary decree-making powers to limit criticism of the regime and opposition activities.

Two insurgent groups are active, the NPA and the Moro National Liberation Front (MNLF), a radical Muslim secessionist group. Both employ terrorist tactics. The NPA is under the direct control of the CPP, a Marxist-Leninist party committed to the establishment of a totalitarian Communist regime in the Philippines. The NPA has grown significantly in recent years and is believed by some observers to have as many as 16,000 full-time armed guerrillas, a similar number of part-time fighters, and a large political and logistic support structure. It operates to some degree in most provinces. In some areas it has gained considerable influence, exacting "taxes" and administering its own arbitrary brand of "law and order," including summary killings. The MNLF, active in the south, since 1972 has waged a secessionist struggle originating in inequities and misunderstandings dating from the Spanish era, including competition with Christians over land, past efforts by the Central Government to control and expand Christian settlements, and the desire of the Muslims to preserve cultural identity. The level of fighting in predominantly Muslim areas has diminished considerably in recent years. The Government has mounted political, military, and economic efforts against both insurgent groups. These efforts have been more successful against the MNLF than against the NPA.

The Philippines is a predominantly agricultural country with a growing industrial sector. It ranks economically in the lower middle range of developing countries. Its private sector is subject to both substantial state intervention and favoritism toward individual entrepreneurs with close ties to the Government and the Marcos family. The economy continued to experience considerable difficulty in 1985.

THE PHILIPPINES

In 1985 there continued to be serious human rights violations throughout the country, although there have been some positive develpments as well. Among the latter are the Government's toleration of peaceful expressions of political dissent, including large public rallies and demonstrations, and the trend toward greater press freedom. Philippine newspapers now freely print even very harsh criticism of the Government. However, there were frequent reports, many of them well-founded, of human rights abuses, especially in the countryside, by government security forces. These included summary executions or "salvagings" of civilians; instances of torture; arbitrary arrests, detentions, unlawful searches and seizures; and disappearances. In 1985 the Communist-led insurgents stepped up significantly their use of terror, including summary executions, as a tactic in furtherance of their political objectives.

The accuracy of statistics on human rights abuses in the Philippines, which are collected only by the Government and by Task Force Detainees (TFD), is highly questionable. The TFD is a politically active, antigovernment, Catholic church-related group which investigates and compiles statistics only on alleged government violations of human rights. TFD does not document atrocities and murders committed by the NPA, a policy which reinforces reports that TFD has significant links to leftist elements. Also, TFD ascribes responsibility to the Government for some killings for which the motivation is unclear but probably not political.

Although the number of political detainees reportedly declined in 1985, there was an increase in alleged political killings, and in the number of disappearances. In December the verdict acquitting General Ver, the Chief of Staff of the Armed Forces, and his fellow military defendants, after an 8-month trial for the assassination of Benigno Aquino, was not viewed as credible by most Filipinos.

RESPECT FOR HUMAN RIGHTS

Section 1 Respect for the Integrity of the Person, Including Freedom from:

a. Political Killing

As noted above, statistics on human rights violations, including political killings, are not reliable. Accurate assessment of violations committed in areas heavily influenced by the NPA is particularly difficult. Furthermore, because the use of violence for both personal and political purposes has been common historically, distinctions between common criminal activity, personal vendettas, unauthorized reprisals by individual military or constabulary units, and legitimate counterinsurgency operations are sometimes blurred. Government forces and insurgents are responsible for killings, as are common criminals, extremist religious sects, private security forces, and vigilante groups. Clashes between insurgents and government forces occur frequently and often result in fatalities.

Military engagements are but one facet of the use by the Communists of violence to further their political goals. The Communists wage an intense campaign for control of local government mechanisms, utilizing intimidation, kidnaping, and assassination directed against government and military officials, businessmen, clergy, teachers, and others who resist. The most obvious sign of Communist influence in any locality of the country is the assassination of local officials. Corrupt or disliked officials are often the first to be murdered. Opponents of the Communist efforts to establish political control, or anyone suspected of being informers for the government, are also in danger of being killed.

Government statistics allege that over 400 civilians were killed by the NPA from the beginning of 1985 to the end of August. Increasingly thoughout 1985, there were verified reports of NPA intimidation and even killings of civilians who refused to pay "revolutionary" taxes. For example, in February, a 35-year old housewife was murdered in Davao City, reportedly for refusing to give a contribution to the NPA. In late August, the murder of an elementary school teacher in western Samar received wide coverage. He was stabbed to death by a female member of an insurgent band reportedly because of his outspoken anti-Communism. NPA political assassination teams ("sparrow units") reportedly killed numerous local government officials, policemen, and Philippine military in 1985. Their victims included the Governor of Surigao del Sur province, who was murdered in October. The Australian Government was forced to withdraw its consultants and aid to an integrated development program on Samar in mid-August after a series of NPA incidents and threats.

Numerous reports of summary executions or "salvagings" by government forces occurred throughout the Philippines during 1985. TFD alleged in September 1985 that a total of 238 salvagings had taken place throughout the Philippines by mid-year. (TFD alleged a total of 538 salvagings nationwide for 1984.) According to TFD reports, most of these killings were of farmers in areas of insurgent activity, although some killings did occur in urban settings. As stated above, TFD does not document atrocities and murders committed by NPA insurgents. Additionally, it has a tendency to categorize any murder by persons unknown as a political "salvaging."

Killings of civilians by auxiliary Civilian Home Defense Forces (CHDF) units and other paramilitary forces were numerous throughout 1985. These forces are heavily deployed in insurgency-affected areas, and sometimes operate independently of direct government or military control. The most notorious among them appear to be armed religious cults which operate mostly in Mindanao and other parts of the southern Philippines. Human rights organizations and the Catholic Bishops' Conference of the Philippines have called on the Government to reorganize the CHDF or to dismantle it outright. President Marcos announced in late October that the CHDF program would be overhauled to ensure better screening and training of CHDF personnel.

The Government reported in October that in 1985 it received 91 complaints of salvagings attributed to military personnel, CHDF units, and members of the National Police: It found ten to have no factual basis, 21 to be valid, and 60 were sent under investigation.

In April, an Italian missionary priest, Father Tullio Favali, was murdered in the town of Tulunan, North Cotabato, Mindanao, allegedly by members of a renegade paramilitary group. Public assertions were made in the wake of Father Favali's killing that this group, wanted on previous charges dating back to 1979 and suspected of cannibalistic acts, had been protected by the local military establishment. Nevertheless, at the personal order of President Marcos, the two principal suspects in the killing were eventually captured and are standing trial for the murder of Father Favali.

Another case involving the CHDF which attracted wide publicity was an alleged massacre on September 20 of antigovernment demonstrators in Escalante, Negros Occidental, in the Western Visayas region. Over 20 demonstrators were killed and upwards of 50 seriously wounded when CHDF elements reportedly fired indiscriminately into the ranks of the unarmed protestors. In mid-October Defense Minister Juan Ponce Enrile created a multisectoral factfinding board to inquire into the circumstances surrounding the Escalante killings.

Government officials state that mistakes have been made by security forces fighting in insurgency-affected areas. The Government has carried out investigations and stated that military personnel have been disciplined for abusive behavior. In fact, abusive personnel are seldom seriously punished. Only 5, of a total of 123 military and National Police personnel whom the Government as of October reported as having been charged before courts martial for abusing civilians, were convicted and sentenced.

As of October, according to government reports, a total of 1,153 military personnel had been given administrative disciplinary action, including reprimands, demotions, and discharges for abuse of authority. In late 1984 the Ministry of National Defense formed a social action committee to improve its responsiveness to complaints against military personnel of abuse. In addition, ten retraining centers, or disciplinary barracks, were established throughout the country to rehabilitate soldiers guilty of human rights violations.

For the third year in a row, the Government in May deployed in Metro Manila a controversial "secret marshal" corps of some 350 armed law enforcement officers. The marshals, renamed "special operations teams," or "crimebusters," were assigned to ride as plainclothesmen aboard Metro Manila public transit vehicles in an effort to curb a chronic problem of robberies and assaults on these vehicles. They had summary arrest powers, as well as authority to shoot to kill offenders who refused to submit to arrest. Marshals reportedly killed as many as 25 alleged criminals in May. As in previous years, the program was viewed positively by some Metro Manila residents. In other quarters, however, it drew sharp criticism as a violation of due process. Although the secret marshal program was not officially ended, its activities appeared to have come to a halt in early June.

b. Disappearance

TFD claimed 117 persons as having disappeared from January to June 1985. (TFD claimed a total of 150 disappearances for all of 1984.) The International Labor Organization (ILO) wrote to the Government about the disappearance of three labor leaders. (See also references to ILO communication in Section 2.b. and Section 4.) The Government maintains that its forces were not responsible for these disappearances. However, the Government as a frequent practice has held persons suspected of national security offenses incommunicado in order to complete interrogation before revealing their capture. On February 4, Tim Olivarez, a correspondent for a Manila daily and editor of a provincial newsweekly, disappeared shortly after publishing an expose on a smuggling syndicate which allegedly enjoyed protection by government and military officials. Both the acting Armed Forces Chief of Staff and President Marcos ordered full-scale investigations, resulting in the arrest in mid-November of nine persons, including the alleged head of the syndicate.

On July 11, Father Rudy Romano, a Redemptorist priest and political activist, was abducted in Cebu City. A witness appearing on behalf of the Redemptorist priest at an August Supreme Court habeas corpus hearing identified a military intelligence agent as among his abductors. Although the military has denied having abducted Father Romano, the acting Armed Forces Chief of Staff ordered the "technical arrest" of the agent identified by the eyewitness. As of late 1985, formal charges of kidnaping were reportedly being prepared against the agents and other military men, subsequently identified. Father Romano's fate remains unknown.

The Aquino assassination trial was tainted in many eyes by the disappearance of key eyewitnesses, including some whose testimony before the factfinding board in 1984 helped to establish the finding of a military conspiracy behind the crime. The common-law wife and two female acquaintances of the man whom the military alleges shot Aquino disappeared in early 1984 and were not located in 1985.

Hostage-taking for ransom has been a common practice by Filipino Muslim rebels of the MNLF. For example, an American and a German taken hostage by an MNLF group in November, 1984, on the island of Jolo, south of Mindanao, were held for more than a year and released only in early December. A Japanese citizen is still being held. There is some evidence as well that the NPA has engaged in abductions.

c. Torture and Cruel, Inhuman, or Degrading Treatment or Punishment

Although torture is prohibited under the Constitution, a number of persons arrested for alleged national security offenses have reportedly been tortured. TFD alleged that 383 instances of torture took place in the first half of 1985, as compared with 504 for all of 1984. The Ministry of National Defense admits that abuses occur. It also claims that some charges of torture are false and are used as a legal tactic by arrested subversives to gain release. Most complaints of torture or other abuse center on the period immediately after arrest, when suspects are reportedly detained in "safe houses." There are also reports that the NPA engages in torture, particularly against persons suspected of being informers for the government.

In areas of military activity against insurgents, there have been allegations of military abuse ranging from harassment and extortion to rape and murder. These reports have appeared in the press and have also come from numerous human rights organizations which support the widely-held belief that the Government is not doing enough to curb abuses and punish abusive military personnel. Although the Ministry of National Defense has investigated some reported abuses, it states that it frequently fails to find evidence, and few personnel receive serious punishment.

THE PHILIPPINES

Although physical punishment is not officially part of the Philippine penal system, prison conditions are often harsh, and reports of abuse frequent. While in confinement, national security detainees are usually allowed visits by family members, lawyers, and others, and are also permitted food supplements from outside sources. The use of prolonged solitary confinement for national security detainees appears to be uncommon and limited for the most part to persons whom the Government regards as key figures in the underground Communist movement. Persons held without bail pending completion of their trials for national security offenses are usually segregated from and have better accommodations than those held without bail for common crimes and those already convicted by the courts.

d. Arbitrary Arrest, Detention, or Exile

Arrested persons are generally charged promptly, although this is not always the case, particularly with regard to alleged "national security" offenders. Such persons are sometimes held incommunicado by military intelligence units for days or weeks before the Government presents charges or acknowledges that it is holding them.

The Government asserts that no one is arrested for his political beliefs, but that it arrests "public order violators" who commit specific criminal acts relating to the violent overthrow of the Government. Generally, such persons are charged with subversion and rebellion, possession of firearms and subversive documents, or, occasionally, with crimes such as arson and murder.

Arrests in national security cases are frequently made under "Preventive Detention Actions," (PDA's) which authorize arrests by Presidential Order without court warrant, and which allow persons to be held without bail until the President authorizes their release. The 1983 Presidential Decree which created the Preventive Detention Action system, however, provides for a yearly review of the case of each detainee or accused person held without bail. Despite this provision, President Marcos still retains the power to order anyone's detention for an indefinite period of time. The Supreme Court has ruled that PDA's issued by the President are constitutional.

TFD alleged that a total of 2,371 of what it terms "political arrests" took place in the first half of 1985, compared with 4,168 for all of 1984. This figure includes an unknown number of persons arrested for activities in support of the Communist insurgents. Many of those arrested in 1985 were picked up in mass arrests during rallies and demonstrations and were subsequently released. Two Presidential Decrees promulgated in 1985 eliminated capital punishment for crimes against national security and public order, making defendants accused of such crimes eligible for bail.

A grey area of legal uncertainty exists in cases where a civilian court authorizes the temporary release on bail of defendants held under a PDA. In some instances, as in the case of two Manila student leaders arrested in February, President Marcos has rescinded the PDA, thus allowing the civilian court's release order to prevail. In other instances, however, the military has refused court orders to release defendants where the President has not withdrawn the

PDA against them. For example, the Supreme Court ordered the temporary release in May of three activist lawyers from Davao City because the PDA's issued against them were of questionable validity. The military refused to heed this order in the absence of a presidential directive to do so. The Supreme Court subsequently reversed itself and ruled that the lawyers' detention was legal after subversion charges were filed against them in Davao.

Habeas corpus is generally available, but remains suspended throughout the country for persons charged with subversion or rebellion and for those charged with any crime in the two regions in Mindanao where the MNLF rebellion is active. Defendants in subversion and rebellion cases or their relatives frequently petition the Supreme Court for habeas corpus. In some instances the Court has granted hearings and compelled the Government to present persons specified in petitions before it. In other cases, however, the Supreme Court has been slow to act on such petitions.

Two prominent opposition leaders, Jovito Salonga and Raul Daza, returned voluntarily from self-exile in the United States in 1985. Both have engaged freely in political activities since their return. Subversion charges against Salonga were dropped three days before his return in January. Daza continues to face a subversion charge dating from 1982 but is now free on bail and has been allowed to return to the United States. In July President Marcos lifted a PDA against Cebu City opposition leader Ribomapil Holganza following a bail release granted by the presiding judge in his subversion trial. In a related case, the Government in January filed rebellion charges against national opposition figure Aquilino Pimentel. Pimentel, who is free on bail, resumed his place in the National Assembly in November, when the Supreme Court overturned a decision by the Commission on Elections invalidating his 1984 election.

There is no evidence of the practice of compulsory or forced labor.

e. Denial of Fair Public Trial

Persons currently charged with crimes are legally presumed innocent until proven guilty and, if arrested after martial law was lifted in 1981, receive public trials in civilian courts.

The right to counsel is guaranteed by law and in general honored from the time a person is presented in court for the reading of charges. However, there have been instances in which defendants in subversion and rebellion cases have been held incommunicado without access to counsel for significant periods of time. Once their detention was acknowledged, these defendants were normally permitted visits by lawyers and family members.

If a defendant cannot afford counsel, the court will appoint a lawyer. Private and government legal assistance is available to indigents, and there are lawyers' organizations which provide assistance to alleged national security offenders. Because of case backlogs, a shortage of judges, and the practice of hearing cases concurrently, trials in civilian courts often take 2 to 3 years. Subversion and rebellion t[illegible] have frequently lasted longer. Trial by jury is not a part of Philippine jurisprudence. Questions of law and fact, including determinations of guilt or innocence, are all resolved by the presiding judge.

Latest available government figures (September 1985) showed 490 persons accused of national security offenses being held without bail. TFD, which compiles statistics on "political detainees," reported as of June that there were 556 "political prisoners," as compared with 851 at the end of 1984.

The Supreme Court continued to show some signs of assertiveness in sensitive areas. In late December 1984 the Court ruled that a 1982 raid by military authorities on the offices of We Forum, an opposition newspaper, was illegal and unconstitutional because the warrants upon which the raid was based were issued without probable cause. In February, the Supreme Court dismissed all outstanding subversion charges against former Senator Jovito Salonga when a prosecutor threatened to reopen his case after previously dropping the charges. The Court asserted that the original indictment against Salonga was filed with undue haste and was based on hearsay testimony.

There remains, however, widespread Philippine cynicism regarding the fairness and independence of the judiciary, and there is frequent criticism that political influence or bribery of individual judges plays a part in judicial decisions. In August, the Supreme Court ruled that previous testimony by armed forces Chief of Staff General Fabian Ver and seven other defendants could not be used against them at the Aquino assassination trial. General Ver and the other military defendants have since been acquitted and General Ver reinstated as Chief of Staff. The 8-month trial included intimidation, disappearances and recantations of prosecution witnesses, charges of judicial favoritism towards the accused, and a lack of prosecution vigor. At the acquittal in December, the Court reaffirmed the Government's contention that Aquino was murdered by a Communist hit man. That conclusion lacks credibility in the Philippines, inasmuch as it is inconsistent with the 1984 finding of an independent investigative board which implicated elements of the military in the assassination.

Charges in subversion and rebellion cases are often vague. There have been some cases with multiple defendants where conspiracy to overthrow the Government was alleged but little detail was provided in the charges. Members of the opposition have sometimes been linked to alleged conspiracies with subversive elements, and some have left the country to avoid lengthy trials, restriction of movement, or possible imprisonment. The line between national security offenses and common crimes is frequently blurred, and lengthy legal proceedings often result.

In practice there have been few convictions for subversion and rebellion. Trials, including those of better known defendants, tend to continue indefinitely. In many instances, defendants held under preventive detention regulations and charged with subversion are given "temporary release" while their trials continue. Others have been released outright after a few weeks or months.

f. Arbitrary Interference with Privacy, Family, Home or Correspondence

The state intrudes little into the family life of most Filipinos. Parents are free to raise their children as they see fit. Religious practices are a personal matter, as is the decision to join a political party. The Constitution's Bill of Rights specifies that persons shall be secure in their homes and guarantees the privacy of communications and correspondence. These rights are generally respected by the authorities.

A search warrant may be issued by a judge upon a finding of probable cause. The President may also order a search. There have been allegations that the property of some persons accused of subversion or rebellion has sometimes been searched without a warrant, but in most instances the authorities obtain warrants before acting.

Reports persist that in some rural areas in Mindanao forcible resettlement continued throughout 1985, notwithstanding the 1982 government ban on the practice. According to the Government, higher levels of combat between government forces and Communist insurgents have led some people in scattered rural areas to relocate their homes of their own volition, often for limited periods, to avoid danger. There have been reports of such population movements from different parts of the country.

Section 2 Respect for Civil Rights, Including:

a. Freedom of Speech and Press

Constitutional guarantees of freedom of speech and press are abridged in practice. Media restrictions are usually political and economic in nature, rather than in the form of direct government censorship. Nevertheless, Philippine media now operate with a degree of freedom greater than at any time since the imposition of martial law in 1972. Overall, the Philippine print media are among the most free in the region.

Newspapers in the Philippines are generally divided into two categories: those considered "government-influenced" and those which assume an "oppositionist/independent" editorial line. Three of the country's largest nationally circulated newspapers are owned or controlled by relatives or close associates of the Marcos family. Direct criticism of the Marcos family in these papers is rare, but they do provide coverage, in news reporting, editorials, and in columns, which is occasionally critical of specific government policies and personalities. The progovernment papers have made it a practice since the 1983 Aquino assassination to provide regular coverage of opposition political activities. Outspoken antiestablishment commentary is a common feature of independent newspapers and magazines.

The Philippine public has access to several major international news publications even though these publications sometimes contain articles and editorials sharply critical of the Government. Foreign journalists regularly travel in the Philippines and file stories without hindrance. The Government announced in October a new policy permitting domestic and foreign reporters to cover operations of the Philippine military against the Communist insurgency. The new guidelines were intended to expand coverage as a means of informing the public of the actual dimensions of the insurgency problem.

The Government maintains a significant degree of influence over the electronic media, particularly television. Manila has one government-owned television station and four privately-owned stations controlled by persons with close links to the Marcos administration. They produce programs for distribution in Manila and other major cities. All television stations appear to accept government guidance on their editorial policy and often ignore or downplay opposition political activities. A group seeking to obtain a license to operate a Catholic lay television station reported that its application remained stalled throughout 1985.

Radio remains an especially important source of news and information in provincial areas. Ownership is dominated by government loyalists, although there are significant exceptions, such as Radio Veritas, a Catholic church-linked station which provides the only "independent" coverage of local and national issues.

Much attention was focused on the reported killings of 12 journalists in the first 9 months of 1985, bringing the total of newsmen killed to 22 since 1979. Human rights organizations allege government involvement in some of the attacks; the military blames the NPA for some of the deaths; and some of the killings apparently involved purely personal motives. In at least three instances in 1985, the murdered journalists had been actively pursuing stories on alleged corruption in Government or abuses by security forces.

Libel suits are frequently filed in the Philippines, sometimes as a pressure tactic against reporters, with varying degrees of success. A conviction for libel can result in up to 3 years' imprisonment. During the course of the Aquino murder trial, contempt of court charges were filed against two organs of the independent press for casting doubt on the impartiality and integrity of the court hearing the case. In one instance, the charges were quickly dropped; the other case is under court review.

b. Freedom of Peaceful Assembly and Association

A broad range of private professional, religious, social, charitable, and political organizations flourishes in the Philippines. The right of peaceful assembly is guaranteed by the Constitution, and this right was generally exercised freely by numerous groups protesting government policies or other issues in 1985. An estimated 100,000 persons joined rallies and marches throughout the Philippines on May 1, Labor Day, with upwards of 50,000 marchers participating in Manila alone. On August 21, 1985, about 70,000 persons were involved in two separate antigovernment demonstrations in Manila to commemorate the second anniversary of Benigno Aquino's death. Thousands of others marched in provincial towns and cities. Opposition rallies are frequently held on a nation-wide basis.

Permits from local authorities are required for outdoor demonstrations in public places. The Government usually complied with requests for rally permits, but some were denied on the grounds of alleged involvement by subversive elements. In some instances, local officials later agreed to issue the permits. Rallies and marches are often held without permits. Although the Government advocates a policy of "maximum tolerance" for handling street demonstrations, excessive force was used to disperse otherwise peaceful but permitless demonstrations in some towns and major cities. In addition to the Escalante shootings in September discussed in Section 1.a., police reportedly shot and killed 2 persons and wounded 14 others during a farmers' rally in Manila in October.

A variety of trade unions claim slightly more than 2 million workers out of a total labor force of 20 million. There are also about 2.7 million workers in the National Congress of Farmers Organizations. Union membership in the Philippines tends to be nominal, rather than being composed of active, dues-paying members. However, there are no government restrictions on the right to organize and to affiliate with federations, confederations, or international organizations, or on the right to strike, except for public servants and employees of certain government corporations. National labor organizations are affiliated to the International Confederation of Free Trade Unions (ICFTU), and to the Communist-dominated World Federation of Trade Unions (WFTU). The nation has 1,954 registered labor groups; none has been canceled or "deregistered" during the past 2 years. Union certification elections are generally considered to be fairly run.

Unions continue to negotiate collective bargaining agreements and to strike. In October, the Ministry of Labor and Employment (MOLE) reported 2,007 collective bargaining agreements covering 266,000 workers as "active."

Compulsory arbitration was exercised in 12 of 937 strike notice instances in 1984, and in 7 of 275 instances through August 1985. The incidence of strikes in the garment industry, in semi-conductor firms, and at export processing zones increased in 1985. Even some public sectors "exempted" from strikes have experienced stoppages. Although a penalty of 6 months' imprisonment for illegal acts by strikers exists, the Labor Ministry asserts that there have been no convictions. However, a Presidential Letter of Instruction was issued in 1985 allowing police to serve injunctions on the picket line in order to halt strikes which the Ministry has not authorized. The use of violence is endemic in the Philippines among management and labor. There have been numerous assassinations of labor leaders and trade union members. The military charges that some leftist labor leaders have engaged in assassination.

The Trade Union Congress of the Philippines (TUCP), established in 1975, claims 1.3 million non-agricultural workers and is the only officially recognized trade union umbrella organization in the country. As a result of this official status, TUCP officials are appointed as representatives of labor on tripartite boards such as the Social Security Commission and the National Council on Wages. Because of these links, the TUCP is often criticized by non-TUCP union leaders as being government controlled. However, the TUCP frequently criticizes the Goverment about poor wages and bad working conditions as well as on issues affecting trade union autonomy from government controls.

Most government-owned and controlled organizations (a ferent category from public servants), are unionized and negotiate collective bargaining agreements. Public service associations, such as public school teachers, cannot legally form recognized unions nor can they legally go on strike. Nonetheless, the Manila Public School Teachers Association struck several times during the past year. The Government is considering a bill to permit public sector employees to organize and bargain but with limitations on their right to strike.

The ILO has communicated with the Government to criticize aspects of the Filipino labor situation, including the requirement of approval by 30 percent of the work force before union recognition is granted; restrictions on the right to establish federations; compulsory arbitration in certain instances; a 1982 law banning strikes in industries that affect the national interest (including export-oriented ones in export processing zones); advance approval of strikes by two-thirds of union members; decrees threatening imprisonment of picketers propagandizing against the Government; and denial of the right to organize unions for teachers, public health personnel, and other public servants. The Government has replied in some detail to ILO criticisms; its reply appeared in the report of the Committee on the Application of Conventions and Recommendations. The ILO has noted that a review of labor legislation is under way and that a draft bill is before the National Assembly incorporating some of the provisions referred to by ILO supervisory bodies.

c. Freedom of Religion

There is no established state religion in the Philippines, and the right to practice one's religion is fully respected. Over 80 percent of the population is Roman Catholic. There are several Protestant and independent Christian groups, and a sizeable Muslim minority. In the Sulu Archipelago in the southwest portion of the country and in parts of Mindanao, Muslims comprise the majority. The Government is assisting efforts to preserve the Filipino Muslim identity and cultural heritage. It has established an institute to train Filipino Muslim religious and legal leaders for positions in the Sharia court system, which is based on Muslim personal law. The Government also provides assistance to Islamic schools and centers and facilitates the travel of Muslim pilgrims to Mecca. Foreign clergymen and missionaries of various faiths normally perform their duties without difficulty.

Major political parties and groupings in the Philippines have members and leaders from different religions. Government service is open to all on a nondiscriminatory basis, and several senior civil and military officials belong to minority religious groups.

Throughout 1985, the hierarchy of the Philippine Catholic Church, including Jaime Cardinal Sin, the Roman Catholic Archbishop of Manila, continued to criticize the Government on various issues, human rights being prominent among them. Pastoral letters critical of the administration were read from pulpits in Catholic churches throughout the Philippines. Many Catholic priests and nuns are actively involved in calling public attention to cases of human rights abuses. Such criticism has at times evoked a negative reaction from high-level authorities, including the President, who claim that the Church has intruded in politics and violates the constitutional doctrine of separation of church and state.

d. Freedom of Movement Within the Country, Foreign Travel, Emigration, and Repatriation

There is freedom to change one's place of residence and employment. Emigration is generally permitted, but former detainees on "temporary release" status need government permission to leave the country, as do persons subject to pending criminal (including national security related) charges. Thousands of Filipinos travel to the United States and elsewhere as temporary visitors each year. Many Filipinos are employed as overseas workers, particularly in the Middle East. Foreign travel for this purpose is encouraged by the Government.

A 1980 Presidential Decree provides that persons convicted of subversion, rebellion, or sedition shall forfeit their rights as citizens, whether such acts are committed inside or outside the country. The decree also provides that judgments may be rendered in absentia. No instance of enforcement of this decree is known.

At the end of October, there were 2,962 Indochinese in a first asylum camp in the Philippines. In addition to providing first asylum to "boat people," the Government, in cooperation with the United Nations High Commissioner for Refugees, operates a major refugee processing center in Bataan Province where refugees and displaced persons from camps in the Philippines and other Southeast Asian countries receive English language instruction, cultural orientation, and vocational training before being resettled elsewhere. There were 15,023 refugees and displaced persons in the processing center as of the end of October.

Section 3 Respect for Political Rights: The Right of Citizens to Change Their Government

President Ferdinand Marcos, Chief Executive since 1965, wields preeminent power under the country's 1973 Constitution, which provides for a strong president in a presidential-parliamentary system. The President is elected by direct popular vote. President Marcos is currently serving a 6-year term to which he was elected in 1981. In view of questions raised during the year about the Government's mandate, President Marcos, with the concurrence of the opposition, called in November for a presidential election in early 1986, slightly more than 1 year earlier than had been scheduled.

In December, active campaigning began by both President Marcos, the candidate of the ruling KBL Party, and the opposition candidate, Corazon Aquino, widow of the murdered Benigno Aquino. Mrs. Aquino's candidacy was encouraged by broad popular support as indicated, for example, by a petition urging her to run reportedly signed by more than 1.2 million Filipinos. Her "unity ticket" with Vice Presidential candidate Salvador Laurel was created under the banner of his United Nationalist Democratic Organization. Marcos chose as his running mate National Assembly member and former Foreign Minister Arturo Tolentino.

The President possesses extraordinary powers to issue decrees which have the force of law unless overturned by the National Assembly. While described in the Constitution as being subject to exercise only in emergency situations or in instances where the National Assembly is unable to act promptly, these powers, in practice, frequently have been used by the President to legislate widely, particularly in the economic sphere. In combination with his constitutional authority, the President uses his control of the ruling KBL Party (New Society Movement) to dominate the political arena. Within the ruling party, issues are often discussed in caucus, and accommodation on key issues is sometimes reflected in the President's final decisions.

As a result of the 1984 elections to the National Assembly, members of various opposition parties and independents now hold about one-third of the seats in that body, as contrasted to the preceding 190-seat assembly, which had fewer than 10 active opposition members when its term ended in June 1984. The ruling KBL party, by force of numbers, still wields preeminent power in the legislature. This fact, together with the President's independent law-making powers, have made it impossible for opposition members to shape a legislative agenda of their own. Nevertheless, the Assembly was a forum for lively political debate and sharp criticism of the Government throughout 1985 and provided a new degree of public accountability and transparency to the system. Among the issues aired prominently in the Assembly was alleged improper foreign investments ("hidden wealth") of Philippine leaders, including President and Mrs. Marcos.

Section 4 Governmental Attitude Regarding International and Nongovernmental Investigation of Alleged Violations of Human Rights

The Philippines is a signatory of all principal U.N. human rights and refugee conventions and is currently a member of the U.N. Human Rights Commission. Representatives of various international human rights groups visited the Philippines in 1985 and traveled throughout the country, meeting both Philippine government officials and private citizens involved in human rights matters.

In its communication with the Government noted in Section 2.b., the ILO also expressed concern about trials of labor leaders, the disappearance of three others, the seizure in August and September 1982 of union property, and restrictions on travel of labor leader Bonifacio Tupaz. (However, Mr. Tupaz traveled to New Delhi, Moscow, and Los Angeles in 1985.) The Government informed the ILO in January that the trials noted by the ILO had been postponed. The unionists involved are under a technical "house arrest" but have resumed normal activities.

Several Catholic and Protestant church groups are active in the human rights field. Task Force Detainees (TFD) of the Philippines was established in 1974 by the Association of Major Religious Superiors of the Catholic Church. Headquartered in Manila and with regional field offices, it investigates allegations only of government human rights abuses and publishes reports on its findings. A politically active organization, reportedly with ties to leftist elements, it is an outspoken critic of the Marcos Government and its human rights practices. TFD operates with relative freedom although a few of its members have been arrested on charges of subversion and rebellion.

THE PHILIPPINES

The Integrated Bar of the Philippines, a national organization to which all practicing lawyers must belong, has an active human rights committee which has investigated specific alleged abuses and issues reports. The Free Legal Assistance Group (FLAG), and the Movement of Attorneys for Brotherhood, Integrity and Nationalism, Inc. (MABINI) also assist detainees in preparing defenses against charges brought against them.

The Ministry of National Defense has a special committee for investigating reported human rights violations involving military personnel. The committee's influence has been limited, but its investigations have on occasion led to legal proceedings against servicemen for abusive behavior The Ministry reported that it cooperates on human rights cases with civilian groups, including the Catholic Bishops' Conference of the Philippines and the National Council of Churches of the Philippines, as well as international organizations such as the International Committee of the Red Cross and Amnesty International.

In its 1985 Report, Amnesty International expressed concern about continuing reports of human rights violations by members of the armed forces and paramilitary units under their command and alleges that the Government rarely initiated impartial investigations into such alleged violations. Freedom House rates the Philippines "partly free."

ECONOMIC, SOCIAL, AND CULTURAL SITUATION

The Philippines, with a population of 56.8 million (mid-1985 estimate) and a population growth rate of 2.4 percent, is predominantly an agricultural country ranking in the lower middle range of developing countries.

The economy was seriously affected by the recent worldwide recession, and by domestic mismanagement, including government-created monopolies. This led to a financial crisis in the last quarter of 1983, precipitated by substantial capital flight and reduced credit availability following the Aquino assassination. In 1984, per capita gross national product (GNP) was estimated at $603, a decline of 7 percent, and it is expected to decline again in 1985 by an estimated 5 to 7 percent. The poorest 60 percent of the population received 25 percent of total income in 1971 but only 21.4 percent 10 years later. The upper 10 percent moved from 37.1 percent of national income in 1972 to 42 percent in 1981. In May 1985, unemployment was about 14.7 percent nationally and 23.5 percent in Metro Manila. Real wages have fallen by 27 percent in the last 4 years, and an already difficult economic situation for workers is worsening. With much of the population under the age of 15 and a high population growth rate, the Philippines can expect a continued growth of job entrants in coming years.

In recent years the Government has emphasized rural development with programs aimed at increasing production of foodgrains, meat, poultry, and fish. The thrust of these programs has been dulled by excessive intervention in pricing and marketing, resulting in reduced incentives for agricultural producers. The Philippines has for several years been marginally self-sufficient in rice, the staple food, but some rice was imported in 1984 because of drought in 1983. Land reform in rice and corn holdings has contributed to security of tenure or lowered rents for some of the rural population, but significant land tenure problems still exist in several areas of the country. At present, agriculture provides employment for slightly over half the work force, and generates about one-quarter of the GNP. The Government has formulated a plan to promote export-oriented industries and agribusiness to spur economic growth, increase foreign exchange earnings, and provide employment. Traditionally, the Philippines has depended heavily on coconut products and other commodity exports that are subject to international price fluctuations. The Government has also facilitated overseas employment for Filipinos, with the largest number concentrated in the Middle East.

In 1985, life expectancy at birth was 65.4 years and infant mortality was 52.5 per 1,000 live births. It was estimated that about 50 percent of the population had access to safe drinking water, with 35 percent of residents in highly urbanized areas drawing their daily water needs from unsafe sources. In 1980, 41 percent of Filipinos in rural areas lived below a government-defined absolute poverty level, with 32 percent below that level in urban areas. It was estimated in 1980 that the ratio of calorie supply relative to nutritional requirements reached 118.1 percent for all Filipinos. However, there were frequent reports in 1985 of serious malnutrition in areas of the country heavily dependent on the depressed sugar-export sector.

Free education in the primary grades is available to all Filipinos. However recent government data indicate that of the children who begin primary school, only about 70 percent complete it. The adult literacy rate approaches 90 percent.

Children under 15 may not legally be employed except when working directly under the sole responsibility of parents or guardians. However, with parental assent and under the rules laid down by the Ministry of Labor and Employment (MOLE), apprentice programs are allowed for children 14 years and over. The Labor Code also places responsibility on the Minister of Labor for conditions of employment of all persons aged 15 to 18 but prohibits employment in hazardous occupations of those younger than 18. There are credible reports of many violations of these provisions of the Labor Code.

The 8-hour day, 48-hour week and a rest day after each 6 working days are mandated by law. With exceptions, women are prohibited from working between 10 p.m. and 6 a.m. The Labor Ministry plays a key role in the setting of legislated minimum daily wages rates. The minimum daily rate for nonagricultural workers in Metro Manila was $57.08 per day as of November 1, 1984. Outside of Metro Manila the rate was $56.00. In the agricultural sector, and for nonplantation workers, it is $35.67. (The peso in December was valued at 18.6 to $1.00.) The Ministry of Labor conducts inspections to ensure compliance with minimum wage standards and working conditions but admits that it faces a difficult task. It cites a study claiming that of the Manila "sweatshops" it surveyed half paid substandard wages. The Ministry concludes that the 8-hour day requirement is more apt to be respected but notes that firms in the Bataan export processing zone usually report considerable overtime. There are reports of compulsory overtime. All workplace laws apply equally to export zones. Inspections between January-October 1984 of 923 establishments revealed 1,980 violations of wage rules involving cost of living allowances, 13th-month payments, overtime, and related matters.

Philippine occupational health safety standards were codified in 1978. The Labor Ministry has stated that the number of inspections it can perform is still far too low. Of the 5,361 establishments inspected in January-October 1984, 707 (or 13.2 percent) had violations. Violations are most common in small nonunion shops according to a recent survey. The Ministry is trying to upgrade and increase its inspection corps as well as to disseminate more information through academic and other training programs and in the tripartite forums.

Women enjoy full voting privileges and have the right to own and inherit property. They are prominent in Philippine society and represented in large numbers in business and in professions such as law, medicine, education, and journalism. They are also active in politics, being well represented in both national and local governments and within the political opposition. There are 2 women members of the Cabinet and 10 in the current National Assembly, and numerous posts within the judicial and executive branches of the Government are held by women. As mentioned earlier, Corazon Aquino, widow of the murdered Benigno Aquino, is running against President Marcos in the scheduled February 7 presidential election. Imelda Marcos, wife of the President, holds the office of Minister of Human Settlements and exercises considerable influence. Women also occupy posts in local government as governors and mayors.

U.S.OVERSEAS -LOANS AND GRANTS- OBLIGATIONS AND LOAN AUTHORIZATIONS
(U.S.FISCAL YEARS - MILLIONS OF DOLLARS)

COUNTRY: PHILIPPINES

	1983	1984	1985
I.ECON. ASSIST.-TOTAL	102.8	106.3	234.4
LOANS	24.3	23.1	60.8
GRANTS	78.5	83.2	173.6
A.AID	86.8	84.3	182.9
LOANS	24.3	23.1	20.8
GRANTS	62.5	61.2	162.1
(SEC.SUPP.ASSIST.)	50.0	50.0	140.0
B.FOOD FOR PEACE	10.7	17.1	51.5
LOANS	0.0	0.0	40.0
GRANTS	10.7	17.1	11.5
TITLE I-TOTAL	0.0	0.0	40.0
REPAY. IN $-LOANS	0.0	0.0	40.0
PAY. IN FOR. CURR	0.0	0.0	0.0
TITLE II-TOTAL	10.7	17.1	11.5
E.RELIEF.EC.DEV & WFP.	1.2	0.1	0.0
VOL.RELIEF AGENCY	9.5	17.0	11.5
C.OTHER ECON. ASSIST	5.3	4.9	0.0
LOANS	0.0	0.0	0.0
GRANTS	5.3	4.9	0.0
PEACE CORPS	5.3	4.9	0.0
NARCOTICS	0.0	0.0	0.0
OTHER	0.0	0.0	0.0
II.MIL. ASSIST.-TOTAL	51.4	51.5	42.2
LOANS	50.0	50.0	15.0
GRANTS	1.4	1.5	27.2
A.MAP GRANTS	0.0	0.0	25.0
B.CREDIT FINANCING	50.0	50.0	15.0
C.INTL MIL.ED.TRNG	1.4	1.5	2.2
D.TRAN-EXCESS STOCK	0.0	0.0	0.0
E.OTHER GRANTS	0.0	0.0	0.0
III.TOTAL ECON. & MIL	154.2	157.8	276.6
LOANS	74.3	73.1	75.8
GRANTS	79.9	84.7	200.8
OTHER US LOANS	0.0	78.8	0.0
EX-IM BANK LOANS	0.0	78.8	0.0
ALL OTHER	0.0	0.0	0.0

ASSISTANCE FROM INTERNATIONAL AGENCIES

	1983	1984	1985	1946-85
TOTAL	757.3	523.8	448.0	6883.2
IBRD	502.7	183.2	254.0	4303.8
IFC	5.6	0.0	48.1	218.1
IDA	0.0	0.0	0.0	122.2
IDB	0.0	0.0	0.0	0.0
ADB	235.2	337.8	145.9	2120.2
AFDB	0.0	0.0	0.0	0.0
UNDP	3.0	2.8	0.0	68.4
OTHER-UN	10.8	0.0	0.0	45.5
EEC	0.0	0.0	0.0	0.0

FERDINAND E. MARCOS
PRESIDENT OF THE PHILIPPINES

November 11, 1985

The Batasang Pambansa
Thru the Honorable
Speaker Nicanor E. Yñiguez
Quezon City

The Honorable Members
Batasang Pambansa:

In 1981 the Filipino electorate by overwhelming vote renewed my mandate for the leadership of the nation. I have responded to that summons with uncompromising fidelity to duty.

The same fidelity compels me now to face a responsibility thrust upon me by certain developments affecting the presidency. Over the past two years the mandate conferred upon me has been the object of propaganda and dissent that have cast a shadow over the continuing validity of the policies and programs I have instituted under the moral authority of that mandate. Yet the need of the moment is an undivided nation; innumerable tasks await our collective effort. There is no moment to lose. Neither can we prevaricate on the issue laid at our door, the issue of the validity of our present efforts in government, especially our approach to economic recovery and the insurgency problem. Clearly the mandate of 1981 must be placed before the people for reexamination.

I am, therefore, left no choice but to seek a new mandate in an election that will assess, as demanded by the opposition, the policies and programs I am undertaking. Such an election necessarily shortens my tenure. But the necessity arises from no less than the time-honored principle of public accountability, inherent in a democracy and explicit in our Constitution.

I seek public judgment now on policies and programs of a fundamental nature because they involve national growth and honor. For instance, we need to pursue further action in accord with the ideology we are endeavoring to follow. We must carry out the revolution of the poor which we have instituted. We must support more forcefully with appropriate measures our rejection of foreign ideologies that do not fit into our traditions and beliefs as a people. We must carry on the program for human resources development, comprising such projects as the livelihood program, self-reliance, cottage industries, and small- and medium-scale industries.

The basic policies we have laid down concerning land ownership, labor and education must be pursued with vigor and vitality. We must continue with barangay participatory democracy and our rejection of the old social service dole system so as to lift our people from mendicancy to self-reliance through livelihood programs. We must preserve the maintenance of an open society and continue giving the lower and upper classes of our people equal opportunity in order that the former can develop their God-given faculties and rise to positions of leadership. The infrastructure program that emphasizes the development of the countryside must continue. Most of all, the nation must maintain social concord and coherence; free, honest and orderly elections; social justice; freedom of assembly; freedom of speech and other freedoms enshrined in our Constitution, all the frontiers of which have been advanced by the present administration and yet are now questioned by the opposition and their propagandists.

The final settlement of these issues can be achieved only through a presidential election. Once these fundamental issues are settled by mandate of our people, we shall be able to re-establish the unity of our nation. Our government and people will then be able to respond to the challenges of our times free from the threats and vexations which may negate the effectivity of the government institutions created to implement these policies and programs.

To pave the way for the holding of a special election for President, I hereby irrevocably vacate the position of President effective only when the election is held and after the winner is proclaimed and qualified as President by taking his oath of office ten (10) days after his proclamation. In all presidential elections, it has been the practice and tradition in all democracies that the President continues in office until the President-elect shall have qualified and assumed office. This practice should be continued and not modified. Any alternative will cause an undesirable and dangerous hiatus in the government.

I am obliged, therefore, to inform the Batasang Pambansa that a vacancy will definitely and inevitably occur in the Office of the President upon fulfillment of the conditions I have stated.

In order to submit the fundamental and national issues that urgently need resolution, we should hold an election for President distinct and apart from local elections where parochial and personal issues are involved.

I, therefore, strongly recommend that the Batasang Pambansa exercise its plenary legislative powers to pass a special law establishing the mechanism to hold such an election. A suitable date seems to be January 17, 1986, so that the start of the election campaign period of forty five days shall be December 2, 1985.

Accordingly, I am recommending the enactment of a Cabinet bill calling for presidential elections on January 17, 1986.

Truly yours,

FERDINAND E. MARCOS
President of the Philippines

BATASANG PAMBANSA
METRO MANILA } Second Session

BATAS PAMBANSA BLG. 883

AN ACT CALLING A SPECIAL ELECTION FOR PRESIDENT AND VICE-PRESIDENT, PROVIDING FOR THE MANNER OF THE HOLDING THEREOF, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

Be it enacted by the Batasang Pambansa in session assembled:

SECTION 1. Special election for President and Vice-President. - There shall be a special election for President and Vice-President on February 7, 1986.

SEC. 2. Direct vote and term of office. - The President and the Vice-President shall be elected by direct vote of the people for a term of six years which shall begin at noon on the tenth day following their proclamation and shall end at noon on the thirtieth day of June of the sixth year thereafter.

SEC. 3. Filing of certificate of candidacy. - No person shall be elected President or Vice-President unless he files a sworn certificate of candidacy not later than December 11, 1985.

SEC. 4. Nomination of official candidates. - Political parties, coalitions, and other similar groups or organizations shall submit to the Commission on Elections a certificate of nomination of their respective official candidates not later than December 21, 1985.

SEC. 5. Election and campaign periods. - The election period shall be fixed by the Commission on Elections in accordance with Section 6, Article XII (C) of the Constitution.

The campaign period shall commence on December 11, 1985 and shall terminate on February 5, 1986.

SEC. 6. Registration of voters. - The board of election inspectors in polling places determined by the Commission on Elections shall meet on December 21 and 28, 1985 to receive and act on applications for registration of qualified voters, from seven o'clock in the morning to four o'clock in the afternoon. The said board shall include the newly registered voters in the list of voters for the particular polling place in which they have registered.

Within seven working days counted from the last day of registration provided herein, the municipal or city election registrar shall transmit direct to the Commission on Elections the exact number of qualified voters newly registered by the respective boards, together with the comparative data showing the increase/decrease in the number and percentage of the voters registered thereat in the May 14, 1984 Batasang Pambansa elections. The

Commission on Elections shall publish in a newspaper of national circulation a summary of the aforementioned information classified on the basis of provinces, cities and municipalities, and shall also furnish a copy thereof to the representatives of the majority party and the dominant opposition party.

SEC. 7. Meeting to close the list of voters before election. - The board of election inspectors shall also meet on January 15, 1986 for the purpose of making such inclusions, exclusions, and corrections as may be or have been ordered by the courts, stating opposite every name so corrected, added, or cancelled the date of the order and the court which issued the same; and for the consecutive numbering of the voters of the polling place.

Should the board fail to include in the list of voters any person ordered by a competent court to be so included, said person shall, upon presentation of a certified copy of the order of inclusion and upon proper identification, be allowed by the board to vote.

Should the board fail to exclude from the list of voters any person ordered by the court to be so excluded, the board shall not permit said person to vote upon presentation to it by any interested party of a certified copy of the order of exclusion.

After the meeting of the board to close the list of voters as provided for in this section, the board shall prepare a list of the inclusions, exclusions and/or corrections, if any, and furnish copies of such list duly signed by all its members to the respective representatives of the majority party and the dominant opposition party in such board.

SEC. 8. Inclusion and exclusion proceedings. - The candidates and their respective political parties shall have up to January 31, 1986 within which to file inclusion and exclusion proceedings.

SEC. 9. Accreditation of dominant opposition party. - For purposes of the special election herein provided, the dominant opposition party shall be that registered political party, organization, aggroupment or coalition which nominated a candidate for President and Vice-President.

(1) In case more than one registered political party, organization, aggroupment or coalition presented an official candidate for President and Vice-President, the Commission on Elections shall require them to agree on the nomination of a common representative in the board of election inspectors, board of canvassers, printing committee and other similar bodies.

(2) Should the various opposition political parties, organizations, aggroupments or coalitions fail to come to an agreement, the Commission on Elections shall then determine which among them shall be the dominant opposition party based on but not limited to the following guidelines:

a. Potential of the political party, organization, aggroupment or coalition into becoming a national party as evidenced by the number of its Members in the Batasang Pambansa, as well as by the size and strength of its party organization.

b. Capability of the political party, aggroupment or coalition to wage a bona fide nationwide campaign for its Presidential and Vice-Presidential nominees, as evidenced by its organization, the stature of its candidates and the number and strength of the political parties in the coalition or aggroupment.

c. Bailiwicks or areas of political support.

d. Platform or program of government distinguishing the political party, aggroupment or coalition from the other political entities on ideology and orientation.

e. The record of the political entity concerned in the matter of its adherence to constitutional provisions on elections.

(3) The Commission on Elections shall accredit the dominant opposition party not later than fourteen working days before the first registration day.

SEC. 10. Date of proclamation. - The proclamation of the winners in this special election shall take place within fifteen session days from the day the Batasang Pambansa starts the canvass, unless the delay is occasioned by justifiable cause.

SEC. 11. Prohibited arrests in connection with the election campaign. - The provisions on prohibited arrests and/or detentions in connection with the election campaign, including the penalties for violation thereof, as provided under the Omnibus Election Code of the Philippines (Batas Pambansa Blg. 881) shall be applicable to the special election provided in this Act.

SEC. 12. Prohibited acts and penalties for election offenses. - The provisions on prohibited acts, the penalties therefor and their prosecution under the Omnibus Election Code of the Philippines (Batas Pambansa Blg. 881) shall be applicable to the special election provided in this Act.

SEC. 13. Powers and authority of the Commission on Elections. - The Commission on Elections is hereby empowered to issue rules and regulations implementing the provisions of this Act and, pursuant to Article XII (C) of the Constitution and the Omnibus Election Code of the Philippines (Batas Pambansa Blg. 881), to adopt such measures as may be necessary to ensure the holding of free, honest, orderly and credible election.

Nothing in this Act shall be deemed to deprive the Commission on Elections of its powers or relieve it of its obligation to ensure the equitable protection of the rights and prerogatives of registered political parties for the purpose of holding free, honest, orderly and credible election.

SEC. 14. Applicability of the Omnibus Election Code of the Philippines (Batas Pambansa Blg. 881). - All other aspects of this special election not covered by any provision of this Act shall be governed by the pertinent provisions of the Omnibus Election Code of the Philippines (Batas Pambansa Blg.881).

SEC. 15. Appropriations. - The amount of two hundred million pesos or so much thereof as may be necessary to carry out the purposes of this Act is hereby set aside out of the appropriations for special activities fund authorized in the Calendar Year 1985 and Calendar Year 1986 General Appropriations Acts.

The chairman and the poll clerk of the board of election inspectors, the inspectors of the political parties, the education support personnel of the Ministry of Education, Culture and Sports, and the supervisors, principals and other administrators of the said ministry who may be asked by the Commission on Elections and actually report for supervisory assignment during registration and election days, including provincial, city and municipal treasurers shall be entitled to per diems at rates fixed in the Omnibus Election Code of the Philippines (Batas Pambansa Blg.881).

The chairmen, poll clerks, and party representatives shall be insured with the Government Service Insurance System in accordance with the provisions of the Omnibus Election Code of the Philippines (Batas Pambansa Blg.881).

SEC. 16. Separability clause. - If for any reason any section or provision of this Act or any portion thereof, or the application of such section, provision or portion to any person, group or circumstance, is declared invalid or unconstitutional, the remainder of this Act or the application of such provision to other persons, groups or circumstances shall not be affected by such declaration.

SEC. 17. Effectivity. - This act shall take effect upon its approval.

Approved, 2nd day of December, 1985.

(Sgd.) FERDINAND E. MARCOS

PRESIDENTIAL/VICE PRESIDENTIAL ELECTION
OF FEBRUARY 7, 1986
(CABINET BILL NO. 7)

Important Dates/Deadlines to Consider

1. December 3, 1985 - Accreditation by Comelec of dominant opposition party;
2. December 11, 1985 - Last day for filing of Certificate of Candidacy with Comelec;
3. December 21, 1985 - Submission of Certificate of Nominations to Commission on Elections by political parties, coalitions, etc;
4. December 11, 1985 to February 5, 1986 - Campaign period;
5. December 21 and 28, 1985 - Registration of voters, 7:00 A.M. to 4:00 P.M.;
6. January 9, 1986 - Registrars of municipal/city to transmit to Comelec exact number of qualified voters newly registered;
7. January 15, 1986 - Meeting of Board of Election Inspectors for making inclusions, exclusions in list of voters;
8. January 31, 1986 - Deadline for filing of inclusion and exclusion proceedings;
9. February 7, 1986 - Special Election for President and Vice-President.
10. Within 15 days from start of canvass by Batasang Pambansa - Proclamation of winners

TABLE OF CONTENTS

Resolution No.	Subject Matter	Promulgation
1721	In the matter of fixing the election period in connection with the elections for President and Vice-President on February 7, 1986.	Dec. 3, 1985
1722	Rules on the certificate of candidacy for President and Vice-President of the Philippines for the February 7, 1986 elections.	Dec. 3, 1985
1723	IN RE: Establishment of precincts throughout the country.	Dec. 3, 1985
1724	RE: General Instructions for the Board of Election Inspectors on registration of voters for the election of President and Vice-President on February 7, 1986.	Dec. 6, 1985
1725	In the matter of the deputation of Minister of Finance, designation of Provincial, City and Municipal Treasurers as representatives of the Commission on Elections and prescribing their functions and duties as Election Officials in the Presidential Elections on February 7, 1986.	Dec. 9, 1985
1726	In the matter of Registration of Political Parties for the election for President and Vice-President on February 7, 1986.	Dec. 9, 1985
1727	In the matter of the appointment of representatives of the accredited political parties to the board of election inspectors for the election of President and Vice-President on February 7, 1986.	Dec. 9, 1985
1728	In the matter of the use of special paper with watermarks in the printing of official ballots and the original copy of election returns for the February 7, 1985 election.	Dec. 10, 1985
1729	In the matter of the rules, guidelines and procedures in the enlistment of groups and organizations as citizen arms of the Commission.	Dec. 12,1985
1730	IN RE: Designation of the Minister of Education, Culture and Sports as deputy, Provincial and City Superintendents of Schools as Comelec representatives and district supervisors	Dec. 13,1985

1730	and school principals as their assistants, and the appointment of public school teachers as chairmen and poll clerks of the boards of election inspectors for the election of President and Vice-President on February 7, 1986.	Dec. 13, 1985
1731	RE: Rules and regulations governing election propaganda through mass media in connection with the election for President and Vice-President on February 7, 1986.	Dec. 13, 1985
1732	IN RE: Creation of Committees for the election of President and Vice-President on February 7, 1986 elections.	Dec. 13, 1985
1733	In the matter of the Printing and Distribution of the Certificates of Candidacy of Candidates for President and Vice-President in the February 7, 1986 election.	Dec. 13, 1985
1734	In the matter of the procurement of supplies, equipment, materials or services needed for the February 7, 1986 election for President and Vice-President.	Dec. 14, 1985
1735	In the matter of implementing the prohibitions on appointment or hiring new employees, creating or filling new positions, promotions, giving any salary increase, or transferring or detailing any officer or employee in the Civil Service, in connection with the February 7, 1986 election.	Dec. 17, 1985
1736	RE: General Instructions on the holding of a plebiscite in the province of Negros del Norte.	Dec. 17, 1985
1737	RE: Formation of Special Action Team for a more effective enforcement and implementation of election laws and the rules and resolutions of the Commission in connection with the February 7, 1986 special election for President and Vice-President.	Dec. 17, 1985
1738	In the matter of fixing other periods and dates for certain pre-election acts in connection with the February 7, 1986 elections.	Dec. 17, 1985
1739	RE: Rules on illegal release of prisoners in connection with the election for President and Vice-President on February 7, 1986.	Dec. 20, 1985
1740	RE: Rules on the liquor ban in connection with the election for President and Vice-President on February 7, 1986.	Dec. 20, 1985

1741	In the matter of the printing, storage and distribution of official ballots and election returns for the February 7, 1986 election.	Dec. 23, 1985
1742	In re: In the matter of requesting the President of the Philippines for standby authority to deputize law enforcement agencies and instrumentalities of the government, including the Armed Forces of the Philippines for the purpose of ensuring that the February 7, 1986 election for President and Vice-President shall be free, orderly and honest.	Dec. 24, 1985
1743	RE: Rules on prohibitions regarding (a) appointment or use of special policemen or agents; (b) use of armored land, water or air craft; (c) wearing of uniforms and bearing arms; and (d) bodyguards or security guards; organization of reaction forces.	Dec. 24, 1985
1744	RE: Rules on the Public Works ban during the period preceding the election for President and Vice-President on February 7, 1986.	Dec. 24, 1985
1745	RE: Rules on the Firearm Ban during the Election period in connection with the election for President and Vice-President on February 7, 1986.	Dec. 24, 1985
1746	RE: Rules on lawful and prohibited forms of election propaganda in connection with the election for President and Vice-President on February 7, 1986.	Dec. 24, 1985
1747	RE: Rules and regulations against foreign intervention.	January 10/86
1748	RE: General Instructions for the Board of Election Inspectors for the election of President and Vice-President on February 7, 1986.	January 10/86
1749	In the matter of the General Instructions for provincial, city and district boards of canvassers in the February 7, 1986 election.	January 10/86
1750	PETITION FOR RE-ACCREDITATION OF MOVER AS A COMELEC CITIZEN ARM FOR THE PRESIDENTIAL AND VICE-PRESIDENTIAL "SNAP" ELECTIONS ON FEBRUARY 7, 1986.	January 14/86

1751	In the matter of the deputation of the Director of the Bureau of Telecommunications, concurrently Commissioners of the National Telecommunications Commission, for purpose of the February 7, 1986 Presidential Election.	January 14/86
1752	In the matter of the delegation of the enforcement and implementation of specific provisions of the Omnibus Election Code to Regional Election Directors, Provincial Election Supervisors and City/Municipal Election Registrars.	January 14/86
1753	In re: Deputation of the Chief, PC and Director-General, Regional, Provincial and Unit Commanders and personnel of the Philippine Constabulary and all members of the Intgrated National Police, for the purpose of ensuring free, orderly and honest election on February 7, 1986.	January 17/86

TITLES OF MAJOR ADDRESSES DELIVERED BY MRS. CORAZON AQUINO DURING CAMPAIGN

1. Building from the Ruins (economy)
   January 6, 1986
   Intercontinental Hotel, Manila

2. Broken Promise in the Land of Promise (social justice)
   January 16, 1986
   Atanco de Davon Gymnasium
   Davon City

3. Tearing Down the Dictatorship, Rebuilding Democracy (political reorganization)
   January 23, 1986
   Manila Hotel, Manila

"WE MUST OBEY GOD RATHER THAN MEN"
(Joint Pastoral Exhortation of the Catholic Bishops' Conference of the Philippines on the Snap Election)

Dear Brothers and Sisters in Christ, and Fellow Filipinos,

The eyes of the world are upon us, the only Christian country in Asia, as we conduct the February 7 elections. We are like "a city set on a hill-top" (Mt 5:14). Hence, there is a special urgency that we should let our light shine before men that they may see our good works and give glory to our Father in heaven (cf. Mt 5:16).

The Lord Jesus taught us to pray, "Our Father . . . Your kingdom come; your will be done on earth as in heaven". These coming elections can, and should be, an event through which God's will is accomplished more fully in our land through our choice of leaders whom he wants, and in the manner that he wants. Indeed, this election will be judged not only in terms of the persons and issues involved, but also by the way it is conducted and the way we respond to its conduct.

These elections can become one great offense to God and a national scandal, or they can be an event of conversion and national renewal.

It has been our sad experience that God's will has been flagrantly transgressed in the past through the violation of our electoral process. Registration anomalies and flying voters, vote-buying and--selling, bribery, unwarranted pressures, serious lies, black propaganda, the fraudulent casting, canvassing and reporting of votes, snatching and switching of ballot boxes, physical violence and killings have often characterized our elections.

It is with grave concern and great sadness that we see signs of these happening again now in a concerted manner, and threatening to escalate to a level never experienced before. These practices are sins against the Lord. They violate in a serious manner the dignity of human beings with whom the Lord has united himself. They make their perpetrators unworthy of the Body of the Lord (cf. 1 Cor 11:27).

The presence of this conspiracy of evil should not, however, make us succumb to a paralyzing cynicism. It should rather challenge us all to organize ourselves and our actions so that evil may be conquered by good (cf. Rom 12:21). The children of the light should not be less wise than the children of this world (cf. Lk 16:8).

We should not passively surrender to the forces of evil and allow them to unilaterally determine the conduct and the results of these elections. The popular will is clearly shown by the interest of the vast majority of our people to participate in these elections. Banding together, we can become a massive force that will assure relatively clean and honest elections, expressive of the people's genuine will.

This will must be expressed and respected. For the power to choose our leaders comes from God. From him all authority derives. In a democracy, he chooses to designate the bearers of this authority through the free and honest expression of the people's will. Hence, voting is a sacred right and duty. To exercise this right is to do God's will. To respect this right is to respect God himself.

Hence, we exhort you to the following:

1) Pray for divine guidance and the grace of free and honest elections.

2) Vote. Vote honestly according to your enlightened judgment and conscience after carefully weighing the persons and issues involved.

3) Vote into office the persons you believe God wants you to put in office as president and vice-president of this land. Vote for persons who embody the Gospel values of justice, humility, truth, freedom, courage, love, peace, respect for human rights and life. Vote for persons who morally, intellectually and physically show themselves capable of inspiring the whole nation towards a hopeful future.

4) In the choice of your candidates, go beyond narrow selfish, family, partisan, and regional considerations. Vote for the persons who can do the most good for the whole country.

5) Refuse to cooperate with, and resist singly and in collaboration with others, all efforts at cheating, intimidation, and violence from whatever source, during the campaign period, and at any stage of the electoral process.

6) Do not allow yourselves to be corrupted by money or other immoral considerations into voting or not voting, or cheating for a candidate. ALWAYS VOTE ACCORDING TO YOUR CONSCIENCE.

7) Exercise unwavering vigilance in organized collaboration with others so that your votes are cast, counted, tallied and reported properly and honestly, and transported untampered. In this connection, we wish to express our wholehearted support for NAMFREL.

We earnestly appeal, in particular, to the official guardians of the polls.

TO THE TEACHERS AND PUBLIC SCHOOL PERSONNEL, we say:

We trust in your integrity. In the eyes of the young you are upholders of truth and honesty. Please do not destroy or let others destroy your name and profession.

Many of you have courageously resisted bribes and pressures in the past. We trust you will do the same in these elections. We note with joy that many of you have exposed attempts by unscrupulous persons to bribe some of you.

TO THE MILITARY, POLICE, AND CHDF (Civilian Home Defense Forces):

You are the guardians of peace and order. You owe your allegiance to the Flag and to our people, not to any particular individual or political group. Above all, we trust you also believe in a just and all-knowing God. We urge you to defend the life, dignity and rights of our citizenry. We ask you never to allow yourselves to be used as instruments of election violence and cheating.

TO THE COMELEC AND OTHER PEOPLE IN THE GOVERNMENT:

You are public servants. No matter who appointed you into office you are the servants of the people. Your utang na loob and loyalty should be directed, above all, to the people you are committed to serve. We urge you to resist all efforts to demean your dignity through pressures and intimidations of all sorts.

To all who serve in the polls, we give this general reminder: "We must obey God rather then men" (Acts 5:29). In a conflict of loyalties and interests, God's will must prevail over unjust commands of earthly leaders.

We address these words to all of you, our countrymen, not only because of our concern to uphold gospel values but also because of our country's critical situation. These elections, if free and honest, will be a big step in restoring that confidence in government and cooperation with it which are essential to national recovery. This confidence can only be lost and our crisis worsen in the event of massive election frauds.

While we raise this call to massive vigilance and propose to you this program of action, we are, nevertheless, conscious that "unless the Lord build the house they labor in vain who build it" (Ps. 127:1). Therefore, once more, we fervently exhort you to pray and fast even as we struggle for clean elections. To those who can we suggest that you celebrate or participate in eucharistic celebrations for peaceful, free and honest elections. Be assured that we, your brothers and pastors, stand together with you in this common effort to build a nation worthy of God's children.

Through our concerted effort, may Jesus truly shine out in our part of the world as "a light for revelation to the nations" (Lk 2:32). Let us all in the Spirit offer ourselves to the Father with Christ in this national exercise. May he, who is God-with-us, and Mary, his mother, the patroness of our beloved country, make their presence felt by all of us in this moment of decision.

For the Catholic Bishops'
Conference of the Philippines
+ Ricardo Cardinal Vidal, D.D.
President of the CBCP

25 January 1986 -- Feast of the Conversion of St. Paul, the Apostle
Betania Retreat House
Tagaytay City

Arzobispado de Manila
1000 General Solano St.
P.O. Box 132
Manila, Philippines

December 28, 1985
Feast of the Holy Innocents

Beloved brothers and sisters in Christ:

Peace be with you! We, your pastors, wish to speak to you about the forthcoming February 7 elections.

We all know how important these elections are. They are so decisive that their failure may plunge our country into even greater instability and violence. It is thus of the utmost importance that every voting Filipino does all in his power: 1) to vote in this election; 2) to assure that it be peaceful and honest in its conduct, and 3) to ensure that it becomes really an expression of the people's sovereign will.

We know from past experience that all this does not come about automatically. Our elections and referenda in the past 20 years have been marred by widespread violence and dishonesty. On the other hand, our experience in Metro Manila in the last elections showed that with the proper vigilance and effort the people can express their will effectively through the ballot, and can ensure that that will be respected and prevail.

We wish to emphatically point out that participation in these coming elections is not only a political act. It is also an exercise of our Christian faith. We should participate in this electoral process as Christians. Our faith must exercise and manifest itself in the public domain by the way we conduct ourselves during these elections. Our Christian faith must be lived not only in the privacy of our consciences and in the sanctuary of our churches but also in our effort to make our country a place where human dignity is respected and peace, the fruit of justice and love, prevails. No one should be more concerned than Christians to shape a society worthy of God's children.

Hence, we ask ALL VOTERS:

1) Inform yourselves well of the persons and issues involved so that you can exercise an enlightened judgment in the polling places.

2) Do what you can, singly and in organized collaboration with others to promote the election into office of worthy candidates.

3) Be sure to register, and check whether you are properly registered. Be sure you can vote on February 7.

4) Vote on February 7, and assure yourselves that your ballots are cast in the proper ballot boxes without being tampered with.

5) Stay around the precincts in organized numbers, especially during counting time, and help ensure that the votes are properly counted and tallied, all the way to the office of the COMELEC.

6) Do not cheat. Do not cast more than one ballot.

7) Do not sell your vote. The acceptance of money to vote for a candidate (a practice we do not encourage) DOES NOT BIND YOU TO VOTE FOR THAT CANDIDATE. No one is obliged to fulfill an evil contract.

To NAMFREL VOLUNTEERS, AND OTHERS LIKE THEM:

1) We praise, support, and endorse fully your selfless efforts. The Lord will reward you as true peacemakers.

2) Our priests and concerned parishioners are willing and ready to extend to you whatever help they can to help you pursue your noble work. Do not hesitate to ask for their cooperation.

To THOSE WHO WILL MAN AND SUPERVISE THE POLLS, AND TO THE COMELEC:

1) We are hopeful that you will do your work in a truly patriotic and Christian way. Please do not fail your country and God.

2) Please remember that you are the servants of the people, and not of any one person or political party. Count and tally the votes honestly. Respect the will of the people. It is a seriously immoral and unChristian act to cheat or make others cheat during these elections. It is a serious act of injustice against your fellow Filipinos, your country, and God, who cannot be mocked.

Arzobispado de Manila
1000 General Solano St.
P.O. Box 132
Manila, Philippines

- 3 -

To THE CANDIDATES, POLITICAL PARTIES, AND THEIR FOLLOWERS:

1) We support your stated wish for clean, peaceful, and honest elections.

2) Campaign as hard as you can, but reject deceit, dishonesty and violence during these elections.

3) Do not buy votes, coerce, or harm people in any way.

4) If you commit injustice, you will be bound to undo the damage by fitting reparation. Election violence and cheating are sins that cry to heaven for vengeance.

And, finally, TO ALL FILIPINOS:

So much is involved in these elections. The very future of our country is at stake. Let no one be uninvolved and indifferent. Everybody must do his share. We exhort everyone, even the children, to pray for honest and peaceful elections. We exhort those who can fast to do so for this purpose. And we exhort the sick and suffering to offer their sufferings and prayers also for this intention. By our vigilance and Christian involvement in the February 7 elections, let us prove that we are being converted to the Lord, and that there is an effective non-violent way to change the structures in our society.

May the Lord God of history, lead us all to a better future through the expression of, and respect for, the people's sovereign will. May Mary our Mother accompany us with her maternal love.

Your servants in the Lord,

(SGD) MOST REV. TEODORO BUHAIN (SGD) MOST REV. TEODORO BACANI
(SGD) MOST REV. MANUEL SOBREVIÑAS (SGD) MOST REV. GABRIEL REYES
(SGD) MOST REV. REGINALD ARLISS (SGD) MOST REV. BIENVENIDO LOPEZ

+ Jaime Card. Sin

+ JAIME L. CARDINAL SIN
Archbishop of Manila

CLIP & FILE

ANNEX XIX.3
Page 167

(12th of a series)

THE NAMFREL CORNER

Cardinal Sin's letter

Arzobispado de Manila
1000 General Solano St.
P.O. Box 132
Manila, Philippines

Dear brothers in the priesthood:

Peace! You know how crucial for our country the February 7 elections are. It is certainly God's will that we do our part as religious leaders to help ensure that the elections be honest and peaceful, and truly expressive of the people's will. Hence, I write to you, as the pastor of this archdiocese, to ask you to do the following:

1) EVANGELIZE ALL THOSE WHO ARE INVOLVED IN THE ELECTIONS PROCESS: the voters, the persons who will man and supervise the polls (the teachers, the COMELEC personnel, the NAMFREL people and other poll volunteers, and the members and followers of the different political parties), indeed all the people, even the sick and suffering.
   a) Do this by personal contacts, through homilies, seminars, recollections, etc.
   b) Instruct the people on the relevance of their faith to these elections (cf. enclosed pastoral letter to the people and the Bible Texts).
   c) Form core groups which will conduct or help conduct with you the said seminars and recollections.
   d) Read in all the Masses on January 1, 5, and 12, 1986 enclosed pastoral letter. Multiply copies and distribute them to your people.
2) ENCOURAGE YOUR PARISHIONERS TO PARTICIPATE IN THE ELECTORAL PROCESS AND TO ENSURE THAT THE POLLS BE CLEAN, PEACEFUL, AND REFLECTIVE OF THE PEOPLE'S WILL.
   a) Ask the people to enlighten themselves on the persons and issues involved in these elections, so that they may vote wisely.
   b) Ask them to work singly and in organized groups for the election of the candidates they deem worthy.
   c) Tell them to register and make sure they are registered and listed properly.
   d) Tell them to vote on February 7, and to make sure their votes are properly cast and tallied.
   e) Tell them to exercise organized vigilance in the precincts, and all the way to the COMELEC office, to make sure that the counting and tallying of votes is done honestly and accurately. Encourage them to report election violations to the media, NAMFREL volunteers, and the COMELEC.
   f) Support the NAMFREL. Encourage the formation of NAMFREL units in your parishes. Get your parishioners to collaborate with NAMFREL.
3) PRAY AND FAST, and ENCOURAGE YOUR PARISHIONERS TO PRAY AND FAST FOR PEACEFUL AND HONEST ELECTIONS.
   a) Pray with your people the enclosed prayer of the faithful, daily, in every Mass.
   b) Encourage your parishioners to tune in to RADIO VERITAS at 6:00 A.M., 12:00 Noon, and 6:00 P.M., for the Angelus, during which there will also be a prayer for peaceful and honest elections.

Dear fathers, we are not political leaders. But as religious leaders and pastors it is our duty to provide moral guidance and encouragement to our people in these times of grave crisis. Above all, we accompany and lead our people to respond as Christians concerned not only for their own conversion of heart, but for the renewal of the temporal order according to God's will. And we must encourage them to actively seek non-violent solutions to the problems that afflict us all.

May we not fail our people and God in this crucial moment of our country's history. May we be agents of hope for our people.

SGD.

+ Jaime Card. Sin
+ JAIME L. CARDINAL SIN
Archbishop of Manila

KAMALAYAN '86 REFERENCE MANUAL

I. SITUATION:

The AFP is the primary institution entrusted with the task of securing and maintaining a peaceful society. This task has become more pronounced with the forthcoming polls for the Presidency and Vice Presidency.

In past elections, however, the AFP was perceived to have fallen short of the public's expectations for it to remain impartial and non-partisan. This time the AFP will again be put to the test to help ensure clean and honest elections and to demonstrate its political neutrality. The present popular clamor for an honest, free, fair and clean elections impinges upon the AFP's basic mission. Therefore, it is imperative for the AFP to actively participate in all phases of the activity.

In this light and in line with the President's pronouncements that the conduct of the coming snap Presidential elections should be honest, clean, free and fair, the Reform AFP Movement (RAM) guided by its aspirations, and compelled by a strong sense of professional responsibility will embark on an undertaking known as KAMALAYAN '86.

II. OBJECTIVES:

a) General:

1) To operationalize the RAM's response to the call of the Commander-in-Chief for an honest, clean, fair and free elections.

2) To counter the boycott movement being encouraged by some sectors.

3) To counter the claim of the CPP/NPA that elections are a farce and will not make any difference.

4) To emphasize the non-partisan role of the AFP in the coming elections, and obviate the feeling in some quarters that the AFP will be used as a tool to favor certain sectors.

5) To develop better appreciation and awareness of the individual and collective roles of the soldiers, as well as the public in general, in the electoral process.

6) To enhance the credibility of the RAM in particular and the AFP in general vis-a-vis the Filipino people.

b) Specific Objectives:

1) To enhance public appreciation and understanding of relevant electoral issues, and the qualifications of the candidates.

2) To maximize registration of voters, and encourage public involvement in the clean-up of voter's lists.

3) Encourage citizen attendance in political rallies and open discussion of viewpoints.

4) Urge the citizens to vote, and not to sell their votes.

5) Call for public vigilance against fraud and coercion at all stages of the electoral process.

6) Impart to AFP personnel the significance of an honest, clean, fair and free elections, and the crucial role of the AFP in preventing attempts to subvert the will of the people.

7) To develop working relationships with civic, business, and religious organizations, and other government institutions, for mutual support and the promotion of a heightened civic-consciousness.

III. CONCEPT OF OPERATIONS:

a) General:

1) The Reform AFP Movement (RAM), and retired AFP Generals, in coordination with business, civic and religious organizations will conduct a series of prayer-seminars with the theme. "Honest, clean, fair and free Elections". The prayer-seminars will start with an ecumenical service followed by speakers from the COMELEC, NAMFREL, and other institutions, on the electoral process and detection and prevention of electoral frauds.

2) RAM NCR will conduct five (5) mini-symposia in major camps in the region plus a final prayer-seminar in a public area on Sunday 020900H Feb '86. In case the prayer-seminar cannot be held inside camp for whatever reason, alternate places outside camp will be designated.

3) Regional RAM organizations will hold prayer-seminars in as many camps as possible in their respective areas, plus a final prayer-seminar on Sunday 020900H Feb '86 at an appropriate public place.

b) Specific:

1) The project, dubbed as "KAMALAYAN 86" will be implemented in NCR by the RAM Election Sub-Committee. In addition, the NCR Election Sub-Committee will establish primary and secondary lines of communications with regional RAM representatives, and monitor, integrate and coordinate all activities related to "KAMALAYAN 86".

2) Regional RAM organizations will create regional election sub-committees to plan and implement regional "KAMALAYAN 86" activities. Regional organizations are free to develop and implement their respective concepts in attaining the objectives of the project. RAM NCR, however, will provide a copy of the Reference Manual to all regional chapters for guidance and possible adoption. Whenever possible, RAM NCR will provide names and affiliations of organizations supportive of the project in NCR, to include names and affiliations of their organizations in each region.

IV. ORGANIZATIONAL CONCEPT

RAM NCR will provide the general guidelines and support for all "KAMALAYAN 86" related activities. Regional organizations retain autonomy in planning and implementing their respective programs. See Annex A for details.

V. ADMINISTRATION AND LOGISTICS:

a) All regional organizations are autonomous in planning and implementing "KAMALAYAN 86" activities. The only guiding principles are the general and specific objectives cited, and the holding of simultaneous prayer-seminars in as many places nationwide on Sunday 020900H Feb 86.

b) All regional organizations will provide respective logistical support. RAM NCR, however, will provide financial support dependent on material support that will be received from the different sectors of society. It is suggested that regional organizations solicit material support from regional business, civic, and religious organizations, along the same lines as NCR RAM.

VI. COORDINATING INSTRUCTIONS:

a) Implementation of regional plans will commence after media pronouncement by RAM NCR.

b) All attempts to stop, deter or prevent implementation of "KAMALAYAN 86" activities must be reported immediately to NCR RAM.

San Jose, Antique
January 26, 1986

The Commission on Elections
Manila

Sirs:

I wish to bring to your attention the following problems in Antique:

1. MP Arturo Pacificador campaigns around Antique with a big convoy of military and Ministry of Public Works trucks loaded with numerous heavily armed men in uniform. Many of them do not wear name tags. We have no way of telling whether they are military personnel or members of his private army.

   In coming to and going out of Antique, he uses military aircraft.

2. His son, Rodolfo "Dong" Pacificador, who has no known official position, also campaigns with a large retinue of heavily armed men in uniform. They also use military and Ministry of Public Works vehicles.

3. The son of Air Force Commanding General Piccio has campaigned here also with a large retinue of armed escorts.

4. The Provincial Election Supervisor is hardly present in his office or anywhere in Antique. Last week, he was here only once and for a short time. He was in his office late in the morning of Friday, January 24, and left for Iloilo early in the afternoon of the same day.

5. The Municipal Election Registrars of several towns in the province, particularly Sebaste and Bugasong, hardly report to their offices.

6. The Municipal Election Registrars of some municipalities refuse to accept and/or recognize the authority I have issued to the municipal chairmen of the Dominant Opposition Party. I am enclosing a copy of my authority.

I, therefore, request the following:

1. The Comelec to send to Antique special composite team from Manila with instructions and authority to stop the use of military personnel and/or private army as bodyguards;

2. The Comelec to immediately instruct the Provincial Election Supervisor and the Municipal Election Registrars to stay put in their offices and to act promptly on problems and requests relative to election matters;

3. Antique being one of the critical areas, the Comelec to instruct the Special Composite team to stay in Antique until the elections is over in order to supervise closely the strict enforcement of election laws.

I hope you will give those requests prompt and effective action. Thank you very much.

Very truly yours,

E. B. J.

EVELIO B. JAVIER
Party Representative
UNIDO

bruary 3, 1986

To: Sally Perez
Desk Officer
Region VI

Yesterday in Culasi after the rally, I went to Municipal Hall looking for Comelec registration. I was met and surrounded by more than 20 soldiers bristling with armalites. They started cracking their guns. They are staying in Municipal Hall. More than 50 are new imports who arrived in Culasi yesterday by helicopter, one military truck and Pacificador helicopter. They are reported to be composite of Marines. On the way to San Jose, I also met another military truck loaded with soldiers headed towards Culasi. Please reiterate request to Comelec and Gen. Ramos to send immediately special action team to stay on until Election Day. Also include Culasi in list for foreign and domestic correspondents and foreign observers. When is Hermie coming so we can adjust our schedule? Suggest tomorrow evening.

From,

EVELIO JAVIER

Republic of the Philippines
COMMISSION ON ELECTIONS
Intramuros, Manila

LIST OF COMPLAINTS FILED WITH THE COMMISSION ON ELECTIONS IN CONNECTION WITH FEBRUARY 7, 1986 ELECTIONS

	IPD DOC. NO. (1)		COMPLAINT (2)	NATURE OF COMPLAINT (3)	ACTION TAKEN (4)
1.	Manila	86 - 1	Report of Lt. Col Remegio Banania Jorge Bascuy y Resaneo, et al.	Liquor Ban violation (Sec. 261 (dd),(1), O.E.	For investigation
2.		86 - 2	Report of Lt. Col Remegio Banania Christy Apili y Dumanog, et al.	-do-	-do-
3.		86 - 3	Report of Lt. Col Remegio Banania Dennis Pangan y Cabato, et al.	-do-	-do-
4.	Makati, MM	86 - 4	Sofremio C. Untalan, Jr. -vs- Teresita Lizerdo	Falsification of Public Document	Under investigation
5.	Paranaque, MM	86 - 5	Alleged mauling of Mary Jane Cabrera -vs- Andres Cruz, Jr.	Alleged Mauling	Request that the Commission be furnished with a copy of the report of Dir. Boquiren.
6.	Makati, MM	86 - 6	Alberto Lilac, et al. -vs- Canon Bungay, et al.	Violation of Sec. 261 par. (f) (Coercion of elective official)	Under investigation
7.	Las Pinas MM	86 - 7	Rey Cobenciong -vs- Atty Teresita Suarez	Violation of Sec. BP 883 as amplified under Sec 150, (b) in rel. to Sec 262 BP 881 (Watchers on polling places)	-do-

page two (2)

	(1)		(2)	(3)	(4)
✓ 8.		86 - 8	violation by Channels 4 and 13 - Corazon C. Aquino	Viol. of equal air or TV time (Sec. 86, OEC)	
9	Manila	86 - 9	R. A. V. Saguisag -vs- Cong. Ramon Durano	Reported news on betting on result of election (Sec. 261 (c), OEC).	For investigation
10.	Davao Or.	86 - 10	Galilio D. Sibala -vs- PC headed by Col. Carlos Pena and Gov. Francisco Rabat	Allowing the use of 6 by 6 truck in hauling chairs for the use of KBL caucus (Sec. 89, OEC)	-do-
11.	Cam. Sur	86 - 11	Mrs. Leticia R. Molina ER 11 -vs- Lt. Silekis Laurel	violation OEC or BP 881 particularly Art XXII sec. 261, par (f), on coercion of election officials or employees.	Requested to formalize complaint
12.	Bacolod City	86 - 12	Josmar R. Coles -vs- D'Mexicano Night Club	Liquor Ban violation (Sec. 261 (dd), (1), OEC)	Memo to Atty. Rodolfo Barrou
13.	Cam. Sur	86 - 13	Corazon C. Aquino -vs- Voice of the Phil.	Vio. of Sec. 86 of BP Blg. 881 (Equal air time violation)	
14.	Lanao N.	86 - 14	Palao Macabanding, et al. -vs- Ms. Copasao B. Arumpac	Vio. of the Civil Service Law & the OEC (Sec. 261 (i), OEC)	Forwarded to TE Supervisor fo appropriate action
15.	N. Samar (San Antonio)	86 - 15	Carlito Palacio, et al. -vs- Chairman & Poll clerks of all Precints	Vio. of OEC by convincing voters to vote CORY-LAUREL for monetary consideration (Sec. 261 (a). OEC)	Under Prel. investigat on co of invest gation - Pet. 21/8 Catarman, NS - Atty Arzaldo
16.	Makati	86 - 16	Christian Monsod -vs- Armed Men	-do-	
17.	Manila	86 - 17	Complaint against Greg Garcia y Vibar	Liquor Ban violation (Sec. 261 (dd), (1), OEC.	
18.		86 - 18	Report submitted by Elena Cuachon	Submits the list of voters and their corresponding approval by the members of the Citizen Elec. Com. of Makati (Viol. of Registration Law (PD 1896).	For investigation.
19.	Zamb. N.	86 - 19	Complaint against Wilfredo Ello, et al.	Viol. of sub-sec (bb) of Sec. 261 of Art. XXII of the OEC (Offenses by bds. of inspectors or canvassers)	Forwarded to RED for appropriate action

Page three (3)

	(1)		(2)	(3)	(4)
20.	Ormoc City	86 - 20	Complaint of Monico V. Jacob	Huge Billboard of Pres. Marcos (Sec. 85 (b), OEC)	Telegram to LR directed to investegate and to take appro priate action
21.	Cam. Sur	86 - 21	Sotero Decasa, Jr. & ER Rosalinda Abordo, et al.	Viol. Elec. Offense pursuant to the provision of (1) (bb), Sec. 261 Art. XXII of OEC (absenting by board member)	
22.	Manila	86 - 22	Teodoro V. Cadelenia -vs- ER of Luna Isabela	Liquor Ban (Sec. 261 (dd), (1), OEC)	
23.	Agusan Sur	86 - 23	Petition for Review filed by Atty Marcelino P. Arves relative to IS No. 85 [illegible] against Rosita P. Valdismo	Viol. of Sec. 103 in rel. to Sec. 179 PD 1296 (Election expenditures)	Returning Folder to Prov. Fiscal Cladio Mistal for the purpose of conducting Prel. investigation
24.		86 - 24	IS No. 85-883 against Alejandro C. Oman	Change of polling place (Viol. of Sec. 64, PD 1296, 1984 Batasang elections)	Returned to Fiscal of Agusan del Sur for prel. investigation.
25.	Binangonan, Rizal	86 - 25	Atty. Francisco Sumulong -vs- ER Agrifino de Guzman, Jr.	Failure to report for duty (Viol. of Sec. 7, BP 883)	Forwarded to Atty Cesario Perez for action
26.	Davao Sur	86 - 26	Gliselda Badinas, et al. -vs- Bgy. Capt. Santiago Lanson	Viol. of Sec. 83 of BP 881 otherwise known as OEC (Destroying lawful election propaganda)	Forwarded to Atty. Florentino Balo
27.	Lanao	86 - 27	Complaint of Samuel Bautista	About the news report of Jam Maridel about the Ghost Barangay	Forwarded to Atty. Manaupamad Aguam for appropriate action.
28.		86 - 28	KBL represented by [illegible] Nicanor Yniquez -vs- NAMFREL, Jose Concepcion, Jr. and Vicente Jayme	Viol. of Sec. 261 (y) (9), 180, 178 52 (k) & 96 of BP Blg. 881 (OEC) ([illegible] of votes, soliciting from foreigners	

page four (4)

	(1)		(2)	(3)	(4)
29		86-29	Raul [illegible] Gonzales vs. Juling KBL, Carmen [illegible] Carrascon, et al.	Terrorism by KBL (Sec. 261 (e), OEC)	Telegram sent to Lt. Gen. Ramos to investigate and take action
30	Cadiz City	86-30	Atty. Francisco Gumonon vs. ER Agustin Desuyo	Failure to post list of voters (Sec. 148, OEC	For investigation by RED VI
31	[illegible]	86-31	Ruben David et al v. Sonny Siquia et al	Threat to and coercion (Sec. 261 (e),OEC	For investigation by RED III
32	[illegible]	86-32	Letter of ER Pascual Diloy on use of tin-plate posters.	Illegal poster (Sec. 85 (b), OEC)	For investigation
33	[illegible]	86-33	Evelio Javier vs. Arturo Pacificador	Campaigning with military personnel and vehicle (Sec. 261 (s), OEC)	For investigation
34	Laguna	86-34	Monico Jacob v. PJB F. Lopez	Distributing pre-prepared voters affidavits (Sec. 120, OEC)	For investigation
35	Pampanga	86-35	Reported fake ballots in [illegible] by Leon [illegible] and reported by Benjie Guevarra & Elmer Cato	Fake ballots (Sec. 184, OEC)	For investigation (Complainant failed to appear [illegible] initial hearing)
36	Pasay City	86-36	Feliza Serafico v KBL leaders in Pasay	Removal of LABAN streamers (Sec. 83, OEC)	Investigation revealed complainant unknown
37	Makati	86-37	Jojemar C. Binay v. Dr. Strong Anastacio.	Intervention of public official (Sec. 261 (i), OEC)	For investigation

page five (5)

	(1)	(2)	(3)	(4)
38	Metro Manila 86-38	Namfrel Christian Movement report	Many voters cannot find their names in list of voters (Sec. 135, OEC)	For investigation
39	Several places 86-39	Namfrel Christian Movement letter of Feb. 7, 1986 re acts against the NAMFREL volunteers in Antique, Quirino, Cavite, Iloilo, Negros del Norte, Lanao, Tarlac, and Isabela	Violation of agreement with Comelec on Namfrel volunteers	For investigation
40	Samar, E. 86-40	Elec. Reg. Jose M. Capacite	Illegal transfer of civil service personnel (Sec. 261 (h), OEC)	For investigation
41	Mandaluyong 86-41	Atty. Marciano Defensor vs. John Does	Gunshots and shouting in polling places (Sec. 261 (z), (11), OEC; Sec. 261 (p), OEC)	For investigation
42	86-42	Pedro Sandra v. Namfrel Jose Concepcion, et al.	Alarming reports on election results (Sec. 261 (z), (11), OEC	For investigation
43	Mis. Or. 86-43	Benito de los Santos v. Colai Pagalpuan	Destruction of lawful elec. propaganda (Sec. 83, OEC)	For investigation
44	Olongapo 86-44	Maria Tarungao, Pres. Tricycle Asso. of Olongapo City	Threats for being leader of Mayor Gordon	For investigation
45	Naga City 86-45	Luis Villafuerte v. Prov. Bd. Canvassers	Left canvassing before completing it work (Sec. 231, OEC)	For investigation

page six (6)

	(1)	(2)	(3)	(4)
46	Caloocan City 86-46	Report of DR C. Bautista on snatching of ballot boxes	Snatching of ballot boxes (Sec. 261 (z), (11), OEC)	For investigation
47	Lanao Sur 86-47	KBL of Lano Sur v. MP Omar Dianalan	Threats, coercion firearms (Sec. 261, (e), (f), p), OEC)	For investigation
48	86-48	Pedro Sandra e. KBL and Oppositionists of Cam. Sur	Armed goons, threats of poll officials (Sec. 261 (e), (f). (p), OEC	For investigation
49	Naga City 86-49	NBI report vs. MP L. Cea	Firearms, threats, coercion of poll officials (Sec. 261 (e), (f), (p) OEC	For investigation
50	Naga City 86-50	Rufino Villagomez vs. Namfrel	Illegally entering polling places (Sec. 192, OEC)	For investigation
51	Cam. Sur 86-51	Ruben Macmes vs. MP Ed. Cea	Illegal detention of poll watcher (Sec. 261 (c), OEC)	For investigation
52	Cavite 86-104	Report of PCB N. Bautista of Cavite on CHDF entering school campus	CHDF forces entering school campus (Sec. 232 or 192, OEC)	For investigation
53	[illegible] 86-106	Report of Atty. Aurelio Rico by Judge Abundio Arrieta	Vote buying (Sec. 261 (a), OEC)	For investigation
54	East.Samar 86-107	Jose Ramirez	Hiring of CHDF forces	For investigation

page seven (7)

	(1)		(2)	(3)	(4)
55	Lanao Norte	86-108	Atty. [illegible]	Fraud and terrorism (Sec. 261 (a), OEC	For Lt. [illegible] Ramos to take appropriate action
56	Antique	86-109	Tel. of UNIDO Chairman	Culasi Mun. Bldg. looks like military Hqtrs. (Sec. 192, OEC)	For investigation
57	[illegible]	86-110	Failure of election, UNIDO leader slain (Sec. 6, OEC) Tel. of [illegible]	Failure of election (Sec. 6, OEC)	For consideration and investigation
58	Quirino	86-111	Tel. of Mayor M. Pimentel	Harrassing and threatening of voters (Sec. 261 (e), OEC)	For investigation
59	S. Cotabato	86-112	Tel of UNIDO vs. owner of Station [illegible]	Equal time violation (Sec. 86, OEC)	For investigation
60	Sorsogon	86-113	UNIDO chapter v. KBL billboards	KBL billboards in Bonifacio St. in Highway, (Sec. 85 (b), OEC)	For investigation
61	Cebu	86-114	Tel. of [illegible] Hurtado	Snatching of ballot boxes (Sec. 261(z), (12), OEC	For investigation
62	Pasay	86-115	Tel. of Namfrel	Gen. Piccio ordered Namfrel rep. to get out of Pct. 356, Villamor Air Base.	For investigation
63	Davao Or.	86-116	Tel. complaint in Polling Places of Pcts. 48 and 34, Davao Or.	Stopped voting at 12:15 P.M. and armed men snatched ballot boxes	For investigation

February 15, 1986.

Submitted by: Law Department, Comelec, Manila

ACTIONS TAKEN BY THE GOVERNMENT OF THE PHILIPPINES TO ENSURE FREE AND FAIR ELECTIONS

This paper summarizes the response of the Philippine Government to the eight points the US Senate Foreign Relations Committee considers critical to a free and fair election.

1. NAMFREL and other non-partisan groups accredited as citizens arms of the poll body. The Commission on Elections (COMELEC) granted accreditation to the following organizations as its citizens arms:
   a. National Citizens Movement for Free Elections (NAMFREL)
   b. Philippine Jaycees
   c. Movement of Organized Volunteers for Enlightenment and Reform (MOVER)
   d. Integrated Bar of the Philippines

2. UNIDO accredited as the Dominant Opposition Party (DOP). The United Nationalist Democratic Organization (UNIDO) was accredited by COMELEC as the Dominant Opposition Party because it possesses the five criteria enumerated in the relevant law, Batas Pambansa Blg. 883. Other political groups which filed petitions but fell short of the criteria included:

a. Laban ng Bayan

b. Liberal Party

c. Philippine Labor Party

3. Two (2) COMELEC vacant seats filled. President Marcos appointed two (2) more persons to fill the vacancies in the nine-Man Commission on Elections. The new Commissioners were:

   a. Jaime J. Layosa, who was recommended by NAMFREL

   b. Ruben Agpalo, who was recommended by the JAYCEES International and other civic groups.

4. The Dominant Opposition Party granted equal access to COMELEC time and space. In accordance with the provisions of the Omnibus Election Code, COMELEC allotted equal time and space to all candidates, with the warnings that franchises of television stations and publications concerned would be revoked if there were violations.

Acting on a complaint by the Opposition Presidential candidate, the Movie and Television

Review and Classification Board (MTRCB) issued a certificate for television exhibition of two (2) UNIDO commercials on TV Channel 13. The television station reportedly refused to air the commercials because they had to be previewed and approved first by MTRCB.

5. Equal access to paid media ensured. Outside the COMELEC hour and space provisions, decisions on commercial usage are concerns of private business and the strategies of each campaign. The COMELEC is investigating claims of unequal exposure by the two contending parties. The Supreme Court, in the UNIDO vs. COMELEC case, ruled that, owing to his peculiar position, the President's activities and pronouncements are given wider coverage than these of the other candidates.

6. The military's role delineated to be impartial. Various steps have been undertaken to ensure the appropriate role of the military for the election.

a. Armed Forces Chief of Staff General Fabian C. Ver urged members of the Armed Forces to be strictly neutral in the presidential election.

b. As deputized by the COMELEC, Lt. General Fidel V. Ramos, Armed Forces Vice Chief of staff has:

   i. Designated ten military and police generals to look into preparations to ensure the holding of peaceful and orderly elections.

   ii. Activated the Philippine Constabulary Monitoring Center to help monitor, coordinate and supervise all election-related law enforcement efforts.

   iii. Organized a Special Action Office for Honest, Orderly and Peaceful Elections (SAO-HOPE) in Camp Crame to oversee law enforcement efforts and backstop the Special Action Teams created earlier.

c. Pursuant to COMELEC Resolution 1737, Special Action Teams, headed by COMELEC representatives, were created to supervise the conduct of the election and voting.

d. COMELEC has denied permission for the Citizens Military Training Corporation (CMT) to be deputized for the presidential election, indicating that the Philippine Constabulary and the Integrated National Police were more than enough to ensure free and peaceful elections.

7. COMELEC and NAMFREL agreed to undertake separate quick ballot count. A quick count operation involving computers was disregarded because of its prohibitive cost. The COMELEC and NAMFREL have agreed to undertake separate unofficial tabulations of the election results. They agreed on a joint system of collecting the results from the precincts and bringing them to Manila where these will be tallied at two tabulations centers. There will be simultaneous public announcements of the results.

8. International observers welcome to the Philippines. President Marcos had invited observers to visit the Philippines and study the electoral process. In January, some 135 foreign observers and journalists have registered with COMELEC. Representatives of the National Republican and Democratic Institutes for International Affairs visited Manila in mid-January and are coming with Senator Richard Lugar's delegation in February. All foreigners, however, will not be allowed within 50 meters of polling places so as not to interfere with the electoral process.

RADIO PHILIPPINES NETWORK, INC.
Broadcast City, Capitol Hills
Diliman, Quezon City, Philippines
Tels 977-661 to 69
Telex No. 63886 KAYBEE PN

RPN
TELEVISION

29 January 1986

Mrs. Lupita Kashiwahara
Media Director
CORY FOR PRESIDENT
Media Bureau

Madam:

In reply to your letter dated January 25, 1986, we regret to inform you that we cannot provide you television airtime for your candidates Mrs. Cory Aquino and Mr. Salvador Laurel.

This is in compliance with our existing policy memorandum which prohibits the sale of airtime for political programs. This policy had been adopted to avoid disruption of our regular programs which are already doing well in the ratings.

The KBL has approached us in the past to make a similar request and we also had no choice but to turn them down.

Very truly yours,

CASEY FRANCISCO
Asst. General Manager
for RPN Programming

cc: RBasilio;
File.

city2
The television service of
BANAHAW
BROADCASTING
CORPORATION

January 29, 1986

Ms. Lupita A. Kashiwahara
Media Director
Unido/Laban Media Bureau

Dear Madam

In connection with your letter dated January 25, 1986, we regret to inform you that we are unable to grant your demand for airtime to feature your candidates, Ms. Cory Aquino and Mr. Salvador Laurel.

In our continuing effort to maintain the consistency of our entertainment programs, the station has an existing policy of not accepting any programs that are political in nature.

We have declined a similar offer from the Kilusang Bagong Lipunan to buy airtime for its candidates.

Very truly yours,

VIC P. VIANZON
General Manager

Broadcast City, Capitol Hills, Quezon City Tel Nos 977-661 to 69

ESTIMATE OF DISENFRANCHISED VOTERS

TOTAL NO. OF REGISTERED VOTERS : 26,181,829

ACTUAL NO. OF VOTES CANVASSED BY THE BATASAN : 20,150,160

% OF ACTUAL TO REGISTERED VOTERS : 76.96%

IF 1986 ELECTION TURNOUT WERE BASED ON 1984 BATASAN ELECTION TURNOUT : 23,422,264

LESS: ACTUAL NO. OF VOTES CANVASSED BY THE BATASAN : 20,150,160

ESTIMATED NO. OF DISENFRANCHISED VOTERS : 3,272,104

ESTIMATED NUMBER OF DISENFRANCHISED VOTERS
FEBRUARY 7, 1986 ELECTIONS
AS OF FEBRUARY 17, 1986

REGION/PROVINCE/CITY	NO. OF REGISTERED VOTERS FOR 02-07-86 ELECTIONS	ACTUAL VOTES CAST AS CANVASSED BY BATASAN	% ACTUAL TO REGISTERED VOTERS 1986	% ACTUAL TO REGISTERED VOTERS 1984	ESTIMATED DISENFRANCHISEMENT BASED ON 1984 TURNOUT IN %	ESTIMATED DISENFRANCHISEMENT BASED ON 1984 TURNOUT IN NUMBER OF VOTERS	WINNER
NATIONAL CAPITAL REGION							
CITY OF MANILA	1,039,466	797,217	76.70%	88.93%	12.23%	127,160	AQUINO
QUEZON CITY	856,358	618,873	72.27%	87.25%	14.98%	128,294	AQUINO
CALOOCAN CITY	326,806	230,250	70.45%	88.91%	18.46%	60,313	MARCOS
PASAY CITY	208,623	151,912	72.82%	89.34%	16.52%	33,098	MARCOS
MAKATI	350,789	202,451	57.71%	71.67%	13.96%	48,959	MARCOS
MANDALUYONG-SAN JUAN	244,608	161,422	65.99%	83.71%	17.72%	43,347	AQUINO
MARIKINA-PASIG	331,695	245,549	74.03%	87.43%	13.40%	44,445	AQUINO
NAVOTAS-MALABON-VALENZUELA	387,823	251,798	64.94%	82.74%	17.79%	68,993	AQUINO
PARANAQUE-LAS PINAS	285,392	201,702	70.68%	84.81%	14.13%	40,331	AQUINO
PATEROS-TAGUIG-MUNTINLUPA	246,960	158,292	64.10%	85.24%	21.14%	52,213	AQUINO
N C R TOTAL	4,279,410	3,020,071	70.59%	85.77%	15.18%	649,094	AQUINO
REGION I							
A B R A	87,366	81,201	92.94%	96.68%	3.74%	3,264	MARCOS
BENGUET	115,154	95,299	82.76%	95.62%	12.86%	14,811	AQUINO
ILOCOS NORTE	197,993	190,423	96.28%	97.56%	1.28%	2,529	MARCOS
ILOCOS SUR	247,537	217,800	88.72%	97.17%	8.39%	20,780	MARCOS
LA UNION	264,103	232,499	88.03%	97.47%	9.44%	24,932	MARCOS
MOUNTAIN PROVINCE	46,245	20,854	45.09%	85.45%	40.36%	18,662	AQUINO
PANGASINAN	757,935	639,179	84.33%	96.66%	12.33%	93,441	MARCOS
BAGUIO CITY	86,158	67,236	78.04%	93.35%	15.31%	13,192	MARCOS
DAGUPAN CITY	53,992	45,871	84.96%	96.09%	11.13%	6,010	AQUINO
LAOAG CITY	45,775	44,083	96.30%	93.51%	-	-	MARCOS
SAN CARLOS CITY	46,941	38,818	82.70%	96.18%	13.48%	6,330	MARCOS
REGION I TOTAL	1,949,239	1,675,463	85.95%	96.35%	10.40%	202,743	MARCOS
REGION II							
BATANES	7,022	5,311	75.73%	78.35%	2.62%	121	AQUINO
CAGAYAN	330,924	312,203	[illegible]	[illegible]	17.74%	57,666	MARCOS
IFUGAO	51,526	11,425	22.25%	93.52%	71.27%	36,720	AQUINO
ISABELA	457,727	422,906	91.95%	96.25%	4.27%	19,422	MARCOS
KALINGA-APAYAO	89,225	83,194	93.24%	88.33%	-	-	MARCOS
NUEVA VIZCAYA	[illegible]	105,742	77.35%	92.11%	14.74%	[illegible]	MARCOS
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

REGION/PROVINCE/CITY	NO. OF REGISTERED VOTERS FOR 02-07-86 ELECTIONS	ACTUAL NUMBER OF VOTES CANVASSED BY BATASAN	% ACTUAL TO REGISTERED VOTERS 1986	% ACTUAL TO REGISTERED VOTERS 1984	ESTIMATED DISENFRANCHISEMENT BASED ON 1984 TURNOUT		WINNER
					IN %	IN NUMBER OF VOTERS	
REGION III							
BATAAN	196,380	137,147	73.58%	91.32%	17.74%	33,055	MARCOS
BULACAN	630,024	496,116	78.75%	89.09%	10.34%	65,172	AQUINO
NUEVA ECIJA	430,876	354,043	82.17%	94.07%	11.90%	51,282	MARCOS
PAMPANGA	460,307	358,890	77.88%	87.47%	9.59%	44,170	AQUINO
TARLAC	353,414	286,298	81.00%	94.01%	13.01%	45,997	MARCOS
ZAMBALES	159,921	133,118	83.29%	96.13%	12.84%	20,518	MARCOS
ANGELES CITY	98,044	70,130	71.53%	85.92%	14.39%	14,109	AQUINO
CABANATUAN CITY	75,436	62,835	83.24%	94.00%	10.76%	8,122	MARCOS
OLONGAPO CITY	108,844	82,159	75.48%	91.70%	16.22%	17,651	MARCOS
PALAYAN CITY	9,854	8,847	89.78%	90.40%	0.62%	61	MARCOS
SAN JOSE CITY	37,385	32,995	88.26%	96.53%	8.27%	3,093	MARCOS
REGION III TOTAL	2,550,935	2,022,523	79.29%	91.17%	11.88%	303,238	MARCOS
REGION IV							
AURORA	49,634	38,793	78.15%	94.20%	16.05%	8,007	MARCOS
BATANGAS	482,645	392,425	81.31%	95.06%	13.75%	66,377	AQUINO
CAVITE	435,456	338,954	77.84%	90.28%	12.44%	54,166	MARCOS
LAGUNA	511,084	402,320	78.72%	90.87%	12.15%	62,102	AQUINO
MARINDUQUE	89,329	[illegible]	83.64%	97.54%	13.90%	12,415	AQUINO
OCCIDENTAL MINDORO	110,382	79,144	71.70%	93.35%	21.65%	23,898	MARCOS
ORIENTAL MINDORO	201,795	157,127	78.82%	89.75%	10.93%	22,064	AQUINO
PALAWAN	157,136	84,749	53.93%	92.89%	23.94%	41,215	AQUINO
QUEZON	464,671	362,402	77.99%	93.05%	15.06%	69,974	AQUINO
RIZAL	376,786	291,623	77.41%	89.76%	12.35%	46,530	AQUINO
ROMBLON	85,223	70,224	82.40%	93.52%	11.12%	9,476	AQUINO
BATANGAS CITY	77,976	64,329	82.50%	94.42%	11.92%	9,296	AQUINO
CAVITE CITY	56,595	45,571	80.52%	93.58%	13.06%	7,371	MARCOS
LIPA CITY	64,424	53,317	82.76%	94.31%	11.55%	7,439	AQUINO
LUCENA CITY	[illegible]	[illegible]	[illegible]	[illegible]	12.82%	7,942	AQUINO
PUERTO PRINCESA CITY	[illegible]	[illegible]	[illegible]	[illegible]	16.77%	6,957	MARCOS
SAN PABLO CITY	[illegible]	[illegible]	[illegible]	[illegible]	10.92%	8,495	AQUINO
TAGAYTAY CITY	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1,076	MARCOS
TRECE MARTIRES CITY	[illegible]	[illegible]	[illegible]		4.05%	354	MARCOS
REGION IV TOTAL	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	AQU

REGION/PROVINCE/CITY	NO. OF REGISTERED VOTERS FOR 02-07-86 ELECTIONS	ACTUAL NUMBER OF VOTES CANVASSED BY BATASAN	% ACTUAL TO REGISTERED VOTERS 1986	% ACTUAL TO REGISTERED VOTERS 1984	% ACTUAL TO REGISTERED VOTERS 1984	ESTIMATED DISENFRANCHISEMENT BASED ON 1984 TURNOUT IN %	ESTIMATED DISENFRANCHISEMENT BASED ON 1984 TURNOUT IN NUMBER OF VOTERS	WINNER
REGION V								
A L B A Y	299,882	234,484	78.32%	74.53%	74.53%	[illegible]	[illegible]	AQUINO
CAMARINES NORTE	142,518	109,790	77.04%	90.36%	90.36%	13.32%	18,989	AQUINO
CAMARINES SUR	415,318	331,985	79.94%	87.31%	87.31%	7.37%	30,629	AQUINO
CATANDUANES	78,110	66,837	85.57%	96.56%	96.56%	10.99%	8,586	MARCOS
MASBATE	238,572	172,467	72.29%	95.83%	95.83%	23.54%	56,157	AQUINO
SORSOGON	205,358	168,733	82.17%	89.08%	89.08%	6.91%	14,200	AQUINO
IRIGA CITY	32,778	27,016	82.42%	87.85%	87.85%	5.43%	1,779	AQUINO
LEGAZPI CITY	50,681	43,480	85.79%	94.91%	94.91%	9.12%	4,621	AQUINO
NAGA CITY	50,986	40,989	80.39%	91.93%	91.93%	11.54%	5,882	AQUINO
REGION V TOTAL	1,513,203	1,195,981	79.04%	87.58%	87.58%	8.54%	140,844	AQUINO
REGION VI								
A K L A N	158,515	127,383	80.34%	94.90%	94.90%	14.56%	23,130	AQUINO
ANTIQUE	168,904	136,957	81.09%	96.04%	96.04%	14.95%	25,258	AQUINO
C A P I Z	180,932	142,235	78.61%	91.85%	91.85%	13.24%	23,951	MARCOS
ILOILO	581,797	459,803	79.03%	92.93%	92.93%	13.90%	80,841	AQUINO
NEGROS DEL NORTE	174,034	135,447	77.83%	82.50%	82.50%	4.67%	8,131	MARCOS
NEGROS OCCIDENTAL	354,417	254,028	71.67%	80.61%	80.61%	8.94%	31,668	MARCOS
BACOLOD CITY	151,525	118,337	78.10%	83.25%	83.25%	5.15%	7,808	AQUINO
BAGO CITY	42,993	35,400	82.30%	76.42%	73.42%		-	MARCOS
CADIZ CITY	50,115	38,751	77.32%	73.71%	73.71%			MARCOS
ILOILO CITY	147,632	119,009	80.61%	92.18%	92.18%	11.57%	17,078	AQUINO
LA CARLOTA CITY	24,760	13,971	56.43%	89.92%	89.92%	33.49%	8,293	MARCOS
ROXAS CITY	44,570	36,745	82.44%	94.18%	94.18%	11.74%	5,231	MARCOS
SAN CARLOS CITY	37,944	28,822	75.96%	91.84%	91.84%	15.88%	6,026	MARCOS
SILAY CITY	41,298	33,339	80.73%	88.46%	88.46%	7.73%	3,193	MARCOS
REGION VI TOTAL	2,159,736	1,680,629	77.82%	88.73%	88.73%	10.91%	240,628	MARCOS

REGION/PROVINCE/CITY	NO. OF REGISTERED VOTERS FOR 02-07-86 ELECTION	ACTUAL NUMBER OF VOTES CANVASSED BY BATASAN	% ACTUAL TO REGISTERED VOTERS 1986	% ACTUAL TO REGISTERED VOTERS 1984	ESTIMATED DISENFRANCHISEMENT BASED ON 1984 TURNOUT IN %	NUMBER OF VOTERS	WINNER
REGION VII							
B O H O L	378,99[illegible]	325,876	85.99%	97.23%	11.24%	42,598	MARCOS
C E B U	619,16[illegible]	515,489	83.26%	95.3[illegible]%	12.04%	74,574	MARCOS
NEGROS ORIENTAL	314,80[illegible]	224,275	71.24%	89.89%	18.65%	58,704	MARCOS
SIQUIJOR	37,428	34,137	91.21%	97.44%	6.23%	2,333	MARCOS
BAIS CITY	24,87[illegible]	18,382	73.89%	92.72%	18.83%	4,686	AQUINO
CANLAON CITY	14,447	10,775	73.56%	91.88%	18.32%	2,683	MARCOS
CEBU CITY	305,007	228,887	75.02%	90.00%	14.98%	45,691	AQUINO
DANAO CITY	58,676	57,560	98.08%	98.88%	0.80%	471	MARCOS
DUMAGUETE CITY	37,887	31,861	84.09%	91.70%	7.61%	2,881	AQUINO
LAPU-LAPU CITY	53,161	43,852	82.49%	93.46%	10.97%	5,832	MARCOS
MANDAUE CITY	72,233	57,499	79.60%	92.83%	13.23%	9,557	AQUINO
TAGBILARAN CITY	26,361	21,895	83.06%	95.32%	12.26%	3,232	AQUINO
TOLEDO CITY	45,298	35,403	78.16%	93.59%	15.43%	6,991	AQUINO
REGION VII TOTAL	1,988,441	1,605,919	80.75%	93.84%	13.09%	260,234	AQUINO
REGION VIII							
EASTERN SAMAR	134,528	97,451	72.44%	82.23%	9.79%	13,171	AQUINO
L E Y T E	535,694	444,343	82.95%	94.59%	11.64%	62,370	MARCOS
NORTHERN SAMAR	165,909	113,965	68.63%	73.53%	4.90%	8,128	MARCOS
SAMAR	172,634	117,350	67.98%	70.31%	2.33%	4,029	MARCOS
SOUTHERN LEYTE	150,919	131,439	87.09%	96.53%	9.44%	14,243	MARCOS
CALBAYOG CITY	48,687	40,536	83.26%	91.98%	8.72%	4,246	MARCOS
ORMOC CITY	54,628	43,622	79.85%	94.48%	14.63%	7,991	AQUINO
TACLOBAN CITY	62,814	51,234	81.56%	92.28%	10.72%	6,731	MARCOS
REGION VIII TOTAL	1,325,013	1,039,840	78.43%	87.53%	9.10%	120,909	MARCOS
REGION IX							
BASILAN	92,401	52,419	56.69%	86.18%	29.50%	27,201	AQUINO
S U L U	229,282	163,233	71.19%	86.86%	15.67%	35,921	MARCOS
TAWI-TAWI	79,723	76,449	95.89%	79.43%	-	-	MARCOS
ZAMBOANGA DEL NORTE	218,102	148,712	68.18%	87.14%	18.96%	41,342	MARCOS
ZAMBOANGA DEL SUR	370,741	263,340	71.03%	81.42%	10.39%	33,509	MARCOS
DAPITAN CITY	27,4[illegible]	22,2[illegible]	81.21%	91.03%	9.02%	2,471	MARCOS
DIPOLOG CITY	34,417	27,713	80.52%	93.56%	13.04%	4,403	AQUINO
PAGADIAN CITY	43,554	31,489	72.30%	83.31%	11.01%	4,796	AQUINO
ZAMBOANGA CITY	183,440	119,403	65.09%	83.31%	18.22%	33,416	AQUINO
[illegible] TOTAL	[illegible]	[illegible]	[illegible]	[illegible]	11.20%	[illegible]	MARCOS

REGION/PROVINCE/CITY	NO. OF REGISTERED VOTERS FOR 02-07-86 ELECTIONS	ACTUAL NUMBER OF VOTES CANVASSED BY BATASAN	% ACTUAL TO REGISTERED VOTERS 1986	% ACTUAL TO REGISTERED VOTERS 1984	ESTIMATED DISENFRANCHISEMENT BASED ON 1984 TURNOUT IN %	IN NUMBER OF VOTERS	WINNER
REGION X							
AGUSAN DEL NORTE	102,132	78,734	77.09%	87.71%	10.62%	10,846	MARCOS
AGUSAN DEL SUR	137,939	102,821	74.54%	70.99%			MARCOS
BUKIDNON	309,046	230,952	74.73%	88.26%	13.53%	41,812	MARCOS
CAMIGUIN	30,434	26,724	87.81%	97.50%	9.69%	2,949	AQUINO
MISAMIS OCCIDENTAL	113,845	93,762	82.36%	90.59%	8.23%	9,370	MARCOS
MISAMIS ORIENTAL	186,717	144,495	77.39%	84.67%	7.28%	13,598	MARCOS
SURIGAO DEL NORTE	149,901	123,821	82.66%	92.03%	9.37%	14,041	MARCOS
BUTUAN CITY	102,569	75,082	73.20%	76.70%	3.50%	3,588	AQUINO
CAGAYAN DE ORO CITY	149,116	75,857	50.87%	90.79%	39.92%	59,525	AQUINO
GINGOOG CITY	39,238	31,887	81.27%	89.53%	8.26%	3,243	MARCOS
OROQUIETA CITY	25,486	21,912	85.98%	92.49%	6.51%	1,660	AQUINO
OZAMIZ CITY	45,023	35,137	78.04%	88.90%	10.86%	4,888	AQUINO
SURIGAO CITY	45,245	34,196	75.58%	86.10%	10.52%	4,760	AQUINO
TANGUB CITY	19,210	16,473	85.75%	94.69%	8.94%	1,717	AQUINO
REGION X TOTAL	1,455,801	1,091,853	75.00%	86.45%	11.45%	171,998	MARCOS
REGION XI							
DAVAO DEL NORTE	415,005	316,795	76.34%	87.32%	10.98%	45,587	MARCOS
DAVAO ORIENTAL	164,233	116,391	70.87%	92.15%	21.28%	34,950	AQUINO
DAVAO DEL SUR	243,633	185,132	75.99%	89.45%	13.46%	32,798	MARCOS
SOUTH COTABATO	289,175	204,350	70.67%	84.57%	13.90%	40,205	AQUINO
SURIGAO DEL SUR	188,984	136,897	72.44%	85.08%	12.64%	23,891	AQUINO
DAVAO CITY	363,536	267,479	73.56%	81.95%	8.39%	30,521	AQUINO
GEN. SANTOS CITY	89,113	59,481	66.75%	77.29%	10.54%	9,394	AQUINO
REGION XI TOTAL	1,753,779	1,286,525	73.36%	85.80%	12.44%	217,346	AQUINO
REGION XII							
LANAO DEL NORTE	189,791	144,897	76.35%	87.21%	10.86%	20,620	MARCOS
LANAO DEL SUR	242,154	220,446	91.03%	84.15%	-	-	MARCOS
MAGUINDANAO	332,579	240,340	72.27%	92.57%	20.30%	67,517	MARCOS
NORTH COTABATO	203,009	184,816	65.30%	82.88%	17.58%	49,742	AQUINO
SULTAN KUDARAT	141,622	95,516	67.44%	84.86%	17.42%	[illegible]	MARCOS
COTABATO CITY	49,044	[illegible]	56.60%	76.70%	20.10%	9,850	AQUINO
ILIGAN CITY	[illegible]	[illegible]	43.10%	58.13%	15.03%	14,372	AQUINO
MARAWI CITY	39,454	27,072	68.62%	81.61%	12.99%	5,126	MARCOS
REGION XII TOTAL	1,373,261	[illegible]	73.60%	86.58%	12.90%	[illegible]	MARCOS

TEN (10) CITIES/PROVINCES WITH THE HIGHEST % OF ACTUAL VOTES

PROVINCE/ CITY	1986: % ACTUAL TO REGISTERED	1984: % ACTUAL TO REGISTERED	WINNER
DANAO CITY	93.08	98.88	MARCOS
[illegible] CITY	96.32	93.51	MARCOS
[illegible]COS NORTE	96.20	97.56	MARCOS
TAWI-TAWI	95.89	79.43	MARCOS
ABRA	92.94	96.68	MARCOS
ISABELA	91.97	96.25	MARCOS
SIQUIJOR	91.20	97.44	MARCOS
LANAO DEL SUR	90.78	84.15	MARCOS
PALAYAN CITY	89.78	90.40	MARCOS
KALINGA-APAYAO	88.83	83.33	MARCOS

TEN (10) CITIES/PROVINCES WITH THE LOWEST % OF ACTUAL VOTES

PROVINCE/ CITY	1986: % ACTUAL TO REGISTERED	1984: % ACTUAL TO REGISTERED	WINNER
IFUGAO	22.26	93.53	AQUINO
MT. PROVINCE	45.09	85.45	AQUINO
CAGAYAN DE ORO CITY	50.87	90.79	AQUINO
[illegible]	53.93	92.89	AQUINO
LA CARLOTA CITY	56.43	89.92	MARCOS
COTABATO CITY	56.60	76.70	AQUINO
BASILAN	56.68	86.18	AQUINO
MAKATI	57.71	71.67	MARCOS
PATEROS/TAGUIG/ MUNTINLUPA	64.10	85.24	AQUINO
NAVOTAS/MALABON/ VALENZUELA	64.94	82.74	AQUINO

BATASANG TOTALS - AREAS WITH OVER 90% TURNOUT

AREA	REGISTERED	TOTAL VOTE	TURNOUT	MARCOS	AQUINO	MARCOS	MARCOS MARGIN
DANAO CITY	58.696	57.567	98.08%	57.225	342	99.41%	56.883
LAOAG	45.775	44.077	96.29%	43.189	888	97.99%	42.301
ILOCOS NOR	197.983	190.615	96.28%	189.897	718	99.62%	189.179
TAWI-TAWI	79.723	76.435	95.88%	65.096	11.339	85.17%	53.757
ABRA	87.366	81.180	92.92%	77.386	3.794	95.33%	73.592
ISABELA	459.837	422.932	91.97%	402.860	20.072	95.25%	382.788
LANAO DEL	242.164	220.431	91.03%	191.755	28.676	86.99%	163.079
SUB-TOTAL	1.171.544	1.093.237	93.32%	1.027.408	65.829	93.98%	961.579
NATIONAL	26.181.829	20.098.913	76.77%	10.807.197	9.291.716	53.77%	1.515.481

ANNEX XXVII.1
Page 194

BATASANG TOTALS - AREAS WHERE MARCOS WINS BY 90% OR MORE

AREA	REGISTERED	TOTAL VOTE	TURNOUT	MARCOS	AQUINO	MARCOS	MARCOS MARGIN
ILOCOS NOR	197.983	190.615	96.28%	189.897	718	99.62%	189.179
DANAO CITY	58.676	57.567	98.08%	57.225	342	99.41%	56.883
LAOAG	45.775	44.077	96.29%	43.189	888	97.99%	42.301
ABRA	87.366	81.180	92.92%	77.386	3.794	95.33%	73.592
ISABELA	459.837	422.932	91.97%	402.860	20.072	95.25%	382.788
CADIZ	50.115	38.751	77.32%	36.061	2.690	93.06%	33.371
SUB-TOTAL	899.772	835.122	92.81%	806.618	28.504	96.59%	778.114
NATIONAL	26.181.829	20.098.913	76.77%	10.807.197	9.291.716	53.77%	1.515.481

ANNEX
XXVII.2
Page 194

BATASANG TOTALS - AREAS WHERE MARCOS WINS BY MORE THAN 150.000 VOTES

AREA	REGISTERED	TOTAL VOTE	TURNOUT	MARCOS	AQUINO	MARCOS	MARCOS MARGIN
ISABELA	459.837	422.932	91.97%	402.860	20.072	95.25%	382.788
CAGAYAN	388.976	318.828	81.97%	275.925	42.903	86.54%	233.022
ILOCOS NOR	197.983	190.615	96.28%	189.897	718	99.62%	189.179
LA UNION	264.103	232.324	87.97%	204.844	27.480	88.17%	177.364
ILOCOS SUR	247.587	219.676	88.73%	191.613	28.063	87.23%	163.550
LANAO DEL	242.164	220.431	91.03%	191.755	28.676	86.99%	163.079
PANGASININ	757.935	638.703	84.27%	398.138	240.565	62.34%	157.573
LEYTE	535.694	444.064	82.90%	300.803	143.261	67.74%	157.542
SUB-TOTAL	3.094.279	2.687.573	86.86%	2.155.835	531.738	80.21%	1.624.097
NATIONAL	26.181.829	20.098.913	76.77%	10.807.197	9.291.716	53.77%	1.515.481

ANNEX
XXVII.3
Page 194

BATASANG TOTALS BY REGION
AQUINO VICTORY AREAS

AREA	TOTAL VOTE	TURNOUT	MARCOS	AQUINO	AQUINO	AQUINO MARGIN
QUEZON	615,931	71.92%	272,968	342,963	55.68%	69,995
BULACAN	495,170	78.60%	219,432	275,738	55.69%	56,306
PAMPANGA	358,405	77.78%	114,733	243,672	67.99%	128,939
BATANGAS	392,090	81.24%	155,474	236,616	60.35%	81,142
QUEZON	361,984	77.90%	136,312	225,672	62.34%	89,360
ALBAY	234,564	78.48%	75,354	159,210	67.87%	83,856
CAMARINES	331,985	79.84%	110,078	221,907	66.84%	111,829
CEBU CITY	228,028	74.74%	60,748	167,280	73.36%	106,532
TOTAL	3,018,157	77.02%	1,145,099	1,920,161	63.62%	727,959
NATIONAL	20,098,913	76.77%	10,807,197	9,291,716	46.23%	(1,515,481)
TOTAL/NAT'	15%	0.25%	10.6%	21%	13.78%	787,522

February 14, 1986

Atty. Emil Ong
Desk Officer, Region VIII
care Mr. Paul Aquino
Valgosons Building
2151 Pasong Tamo, Makati
Metro-Manila

Dear Atty. Emil Ong:

Hereunder is a brief report of the factual events that took place in Eastern Samar shortly before, during and just after the last Snap Presidential and Vice Presidential Elections last February 7, 1986.

I - Before the Election

Harrassment, coercion, intimidation and repression, especially among the civil servants and the lowly civilians were deliberately launched by the KBL leaders headed by Assemblyman Vicente Valley, Mr. Fidel Anacta, Vice Governor Celestino Sabate and with the visible support of our Provincial Commander, Lt. Col. Mario Agda.

Public school teachers were systematically called to District Assembly conferences, and always those conducting the meetings and those delibering the talks are MP Vicente Valley, former School Superintendent Fidel Anacta and Vice Governor Celestino Sabate. Carabao, pigs and chickens were the ordinary minu in these conferences, including expensive snacks were dutifully served. Pocket money were likewise provided to all teachers and school officials, including ample reimbursement for transportation and other expenses.

II - During the Election, particularly February 5th, 6th and 7th.

a) Deliberate and Systematic Disenfranchisement of voters-census were massively conducted by the KBL. Those known to be symphatic with the opposition candidates were deleted from the voter's lists and included if at all in far away voting centers.

Known opposition bailiwicks, especially in the Barangays were not allowed by the Comelec to hold election on the mere certification of the Station Commanders of several municipalities. Here these comelec Registrars who were involved in the systematic transfer of the venues from the Barangays to the Poblaciones did so, without amply notifying the voters themselves, the opposition representatives and without notice and hearing as required by the Omnibus Election Code.

As a result of the aforesaid massive disenfranchisement, only 97,444 were able to cast their votes in Eastern Samar out of a total registered and qualified voters of around 149,000 thousand thus depriving over 50,000 voters of their sacred rights of suffrage,

b) Massive and Widespread Vote-Buying - KBL
Money was flowing like water, openly, publicly and many time giving the dole-out right inside the precincts. Considering that the people in Eastern Samar are miserably poor being a depressed area many were exploited and abused, some misguided on these Filipino customs of "Utang na Loob" thus depriving many of their real freedom of choice.

c) Deliberate tampering with election returns and reading the votes for Aquino in favor of Marcos during the canvassing of votes.
We have affidavits and documentations in our possession indicating clearly above mentioned violations of our election law.

d) Electioneering violations and terrorism.
Government officials were asked by the KBL leadership to campaign openly and publicly for President Marcos. Many were forced to comply a minimum quota of 10 to 20 voters for Marcos. The most anomalous among these career officers and officials is the case of Municipal Trial Judge of Can-avid, Eastern Samar, in the person of Galo Alvor, Jr.

On the eve of the election, he circulated the news that there was a curfew, hence the opposition leaders in that town were not able to go out, even only to distribute our sample ballots. To effectively enforced this curfew, the Judge posted several army men and armed men in strategic places, particularly near the houses of the hard core opposition leaders.

Early morning of February 7th, the same Judge (Galo Alvor, Jr.), thru the use of a public sound system which was mounted in a trycycle made a round in the poblacion and the adjoining barangays that; "open ballot is now allowed by law and every voter was asked and ordered by the Judge to disclose openly his ballot". To make this order effective, Judge Galo Alvor, Jr. went to practically all the voting centers in the poblacion and the adjoining barrios, accompanied by three (3) uniformed and fully armed military men, instructing and ordering the chairmen of the Board of Election Inspectors to allow an open ballot of voting as it is now allowed by law according to him.

Earlier, during the public rallies of the KBL in Can-avid and in Borongan, Judge Galo Alvor, Jr. spoke publicly endorsing the candidacies of Marcos and Tolentino in flagrant violation of the Civil Service Law and the prohibition as provided for in our Election Laws regarding career officials and employees from campaigning openly and publicly.

III - After the Election

There were cases of fraudulent violation, particularly tampering of election returns in several places in Eastern Samar. Most notorious is the tampering of around 13 election returns by the Election Registrar in Sulat, Eastern Samar, Mr. Bedasto Sumbilla. Votes for Marcos in practically every precinct in these voting centers were increased by one hundred (100) votes while the votes for Cory Aquino were correspondingly decreased by one hundred (100) votes also.

The appropriate documentations on these tampering of elections returns are now being readied and in due time the appropriate legal remedies will be applied and pursued.

In our humble judgment, the recent snap election in Eastern Samar was the dirtiest and above all it was tainted with fraud, coercion, harassment, intimidation, massive vote-buying and systematic and deliberate disenfranchisement of voters.

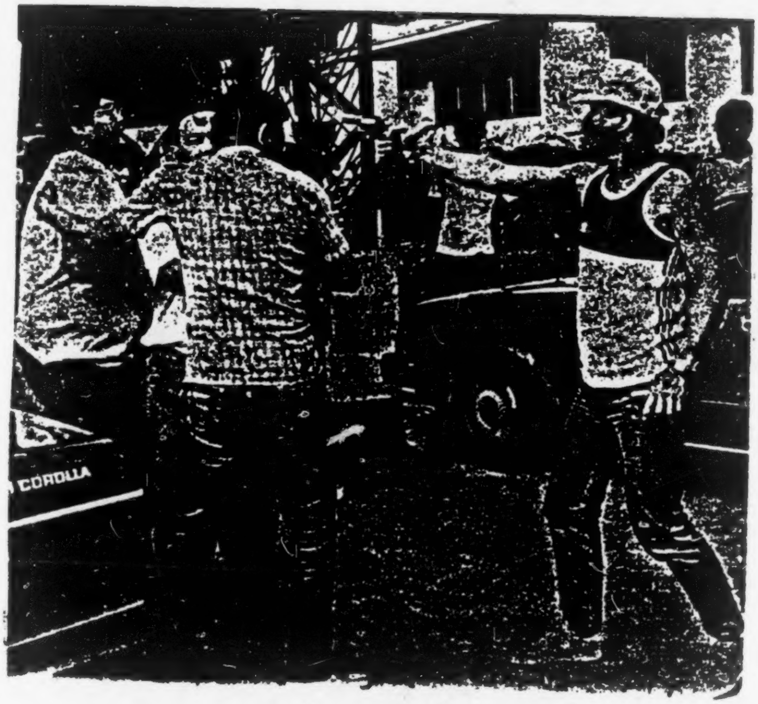
If not for the superb militancy and fearless vigilance of our key leaders and supporters, risking their very lives, our victory in my area would only be a dream and empty. Nevertheless through sheer loyalty and devotion to the people's cause and the ventillation of the real issues, we were able to hold on end happily ~~we~~ Cory Aquino won by a 10,084 votes majority over Pres. Marcos. Likewise, Doy Laurel had a majority of 10,905 votes over Tolentino.

Thank you, just the same for whatever support you have unselfishly extended to us.

Respectfully submitted

JOSE T. RAMIREZ
Provincial Coordinator

23


COROLLA

Republic of the Philippines
COMMISSION ON ELECTIONS
Office of the Provincial Election Supervisor
Negros del Norte, Cadiz City
-oOo-

February 6, 1986

TO : The Board of Election Inspectors
Victorias, Negros del Norte

FROM : Provincial Election Supervisor
Negros del Norte

SUBJECT : REVOCATION OF VICTORIAS NAMFREL ACCREDITATION.

Upon proper investigation, it was verified that NAMFREL representatives, Dr. Patricio Tan. Msgr. Antonio Fortich and Atty. Juan Hagad, who are the Provincial NAMFREL leaders in Negros del Norte have in fact been engaging in partisan political activities in favor of UNIDO candidates, thereby violating Comelec Resolution No. 85-22[illegible] dated December 24, 1985.

Consequently, the NAMFREL representatives in the different cities and municipalities in Negros del Norte appointed by them can also be considered partisan.

WHEREFORE, effective today, February 6, 1986, NAMFREL Victorias Chapter accreditation is hereby REVOKED.

ATTY. AGUSTIN S. DESUYO
Provincial Election Supervisor

[illegible] school

ANNEX XXX
Page 202

Republic of the Philippines
COMMISSION ON ELECTIONS
OFFICE OF THE ELECTION REGISTRAR
San Carlos City, Negros del Norte
- - -

February 7, 1986

MEMORANDUM:

TO: ALL BOARD OF INSPECTORS

SUBJECT: REVOCATION OF LOCAL NAMFREL SAN CARLOS CITY CHAPTER AS COMELEC CITIZENS' ARMS.

TO ALL CONCERNED:

Please be informed that in accordance with the provision of the Omnibus Election Code and Resolution of the Commission 1729, that a Citizens' Arms duly accredited by the COMELEC should be non-partisan by nature, hence, their probity and integrity must be beyond reproached.

However, in the case of their local chapter here in San Carlos City, Negros Del Norte, the said local chapter of NAMFREL has been found to be a PARTISAN ONE, according to reliable information and its members are avid supporters of UNIDO, a dominant opposition party.

In view of the foregoing and in accordance with the authority delegated to the undersigned by the Commission in its Resolution dated December 12, 1985, known as Resolution #1729, the Undersigned hereby REVOKED, the accreditation of the local NAMFREL, San Carlos City Chapter, Negros Del Norte.

Anent thereto, ALL BOARD OF INSPECTORS, are hereby ordered not to allow NAMFREL Representative to sit as watcher in every voting centers as COMELEC CITIZENS ARMS. In connection thereto the Board of Inspectors may utilize the PC/INP to implement and enforced this memorandum.

For strict compliance.

(SGD.) ATTY. ROMEO T. FLORA[illegible]
Acting Election Registrar

Copy furnished:

1. NAMFREL, San Carlos City	4. UNIDO, San Carlos City
2. Office the City Mayor	5. KBL -do-
3. Station Commander, PC/INP	6. Liberal Party, -do-

A true copy: 2-7-86

January 23, 1986

Memorandum To: THE BOARD OF ELECTION INSPECTORS
Negros del Norte

FROM : THE PROVINCIAL COMELEC SUPERVISOR
Negros del Norte

Per instruction from the Commission on Elections, Manila, the following guidelines should be strictly observed during the Presidential Election on February 7, 1986.

1. In the event of absence of a party inspector of any political party in a precinct, the Board, thru its Chairman, shall appoint a voter of the precinct to act as Party Inspector of the precinct.

2. Enforcement of the ban against carrying of firearms with no permits and other deadly weapons should be strictly observed during the campaign period and on election day, pursuant to Article XXII of the Omnibus Election Code. All PC and military personnel are hereby enjoined to comply with this provision of law.

3. Only the Provincial Comelec Supervisor can submit official election returns to Comelec, Manila. No Board of Election Inspectors is authorized to issue official certification as to election results in their respective precincts.

4. Election observers are limited to a distance of 30 meters from the polling places. Beyond this they are not permitted to enter.

5. Watchers of candidates should be with proper appointments and be a resident and a voter of the city/municipality. He or she can be a registered watcher of only one precinct. There shall be no watcher-at-large.

6. Inspectors of any political party shall be appointed by the Comelec Registrar, upon the recommendation of the official party representative. No party inspector therefore, shall sit in the Board of Election Inspectors without the proper appointment from the Comelec.

For compliance.

[illegible]USTIN S. DE[illegible]UYO
Provincial Comelec Supervisor
Negros del Norte

[illegible] the legality of this Memo, this is [illegible]
[illegible] of the General Instructions
[illegible]. Please inform us the answers so
[illegible] we are going to follow.
Thank you

[illegible] need action by Comelec [illegible]

KILUSANG BAGONG LIPUNAN PARTY
PROVINCIAL HEADQUARTERS
ILAGAN, ISABELA

OFFICE OF THE CHAIRMAN

January 27, 1986

SPECIFIC INSTRUCTIONS:

TO: 1. All Municipal Mayors
As KBL Municipal Chairmen
Province of Isabela

2. All Kabataang Barangay Municipal Chairmen
Province of Isabela

3. All KBL Radio Commentators
Province of Isabela

4. All KBL Campaign Leaders (KADU),
Supporters/Sympathizers
Province of Isabela

5. All Concerned.

SUBJECT: NAMFREL'S DANGEROUS ADVENTURISM.

Our experience, and that of our people in the province shows that during the parliamentary elections of May 14, 1984, the alleged NAMFREL volunteers caused provincewide confusion and committed acts of intimidation and terrorism in the voting centers or polling places, thereby frustrating the free and orderly casting of votes thereat. This should not, and must not be tolerated in the forthcoming Presidential Election on February 7, 1986, because a second experience of the same nature and magnitude, will destroy the credibility of the electoral process. The accredited citizen arms of the Commission on Elections, one of which being NAMFREL, are only agents and/or representatives to assist the COMELEC in its work. As such agents or representatives, the alleged NAMFREL volunteers must ABSOLUTELY be non-partisan and impartial, otherwise, the purpose of their accreditation will be rendered nugatory.

Therefore, they can not be more powerful than their principal, the COMELEC. Hence, if such NAMFREL agents go beyond the bounds of law and General Instructions of the COMELEC, then they will perforce, expose themselves for possible criminal prosecution in court for election offenses, punishable under the provisions of Sections 261-262, of Batas Blg. 881, otherwise known as the OMNIBUS ELECTION CODE, in relation to Batas Pambansa Blg. 883, known as the "1986 Snap Presidential Election Law".

Consistent with the constitutional mandate for a clean, free, orderly and honest elections in the forthcoming political exercise, the following specific mandatory instructions affecting the activities of the NAMFREL are hereby issued as a precautionary measure, to wit:

1. The NAMFREL provincial representative must be duly appointed and accredited by the Provincial Election Supervisor in accordance with instructions from COMELEC, Manila;

2. The duly accredited provincial representative shall nominate to the Municipal Local Election Registrars in the different municipalities of the province, the names with their addresses, of those persons to be appointed and accredited in the specific prescints they will be assigned.

3. Thereafter, the Municipal/Local Election Registrar concerned shall appoint and accredit the duly qualified NAMFREL representative, who shall be a qualified VOTER in the specific prescint he is to be appointed;

④ There shall be no appointment or accreditation of a NAMFREL representative to other prescints where he is not a qualified voter thereat.

FOR EXAMPLE: if JUAN DELA CRUZ, who is a registered voter in Prescint No. 1 of Calamagui, Ilagan, Isabela, is appointed and duly accredited as NAMFREL representative for Prescint No. 1 of the same town, then the same Juan dela Cruz can not be appointed and accredited as NAMFREL representative at the same time to Prescint No. 3 or Prescint No. 21 of the same municipality. Similarly, PEDRO SAN JUAN who is a resident, and a registered voter of Santiago, Isabela, can not be appointed and accredited as NAMFREL representative of Ilagan, Isabela. Never! Therefore, there shall be no general appointment and accreditation of ROVING NAMFREL representatives, although there shall be as many NAMFREL representatives appointed and accredited in as many number of prescints in the town. The rule shall be - one NAMFREL representative for only one prescint and the Board of Election Inspectors or Canvassers in the different voting centers or polling places in the towns can deny recognition of other NAMFREL representatives not duly appointed and accredited to the specific prescints they are assigned;

5. The sole appointing and accrediting authority in the prescint level, is the Local Election Registrar concerned. He issues the prepared corresponding COMELEC citizen arm Identification Card provided for the purpose. This power of appointment and accreditation includes the power to revoke upon notice, should such accredited NAMFREL representative by his actuations, manifested partiality to any political party or candidate and/or has performed acts in excess or in controvention of his functions and duties. (Art. V, Resolution No. 1729, Dec. 12, 1985);

6. Should there be an objection raised or filed, against the possible appointment and accreditation of a NAMFREL representative, for the reason that such person is not a registered voter in the prescint he will be assigned, and/or that such person nominated is known to be PARTISAN and the Local Election Registrar is convinced that he is so, after a hearing conducted, then the latter may refused to issue the appointment and accreditation. He may then accredit any representative from any of the reputable and non partisan civic organizations in the municipality or prescint where he is a registered voter, but must inform immediately COMELEC, Manila, of such action taken;

7. The decision of the Local Election Registrar is FINAL and appealable only direct to the Commission on Elections in Manila and not otherwise;

8. The genuine NAMFREL representative can watch and observe the proceedings of the Board of Election Inspectors and/or Board of Canvassers, but they should not actively participate in the deliberation of the Board;

9. All other non accredited NAMFREL representatives, should be barred from entering the rooms except to vote, where the voting is being done and during canvass thereof. They shall stay in an area at least 50 meters away from the polling place or voting center.

Simply stated, the qualifications and the functions, duties, responsibilities and liabilities of a "genuine NAMFREL representative" is similar to that of a duly appointed and accredited watcher of the KBL majority party and "that of the UNIDO, the dominant opposition party, or other groups of candidates, as outlined in the General Instructions contained in Sections 9-12, Resolution No. 1749 for the Board of Election Inspectors and Section 9, of Resolution No. 1749 for the Board of Canvassers, respectively, promulgated by the Commission on Elections, January 10, 1986, and other related orders. Outside of these instructions, the acts of the NAMFREL representatives are considered ULTRA VIRES and the same ought never to be respected or recognized, without prejudice to his possible criminal prosecution.

All told; let the KBL machinery work as expected, because there is no substitute for VICTORY, even as there is no room for COMPLACENCY!

Immediate widest dissemination of these instructions is hereby enjoined.

SGD. FAUSTINO N. DY
Governor
Provincial Chairman

Copy furnished:

1. The Provincial Election Supervisor
   Ilagan, Isabela
2. The Chairman
   COMELEC, Manila

[illegible] VOLUNTEERS INJURED / MISSING / DETAINED / KILLED OR [illegible]

BASED ON SUBMITTED [illegible]
AS OF FEBRUARY 13, 1986
TIME OF REPORT: 5 PM

Doc #4

NAMFREL VOLUNTEERS INJURED IN THE LINE OF DUTY

SERIAL #	NAME		DESIGNATION	HOW HURT	BY WHOM	PLACE
19	Unidentified		Volunteer	punched	Mayor	Taytay, Rizal.
2387	Unidentified	(117)	Volunteers	fired upon ...minor injuries	Armed men	Ma. Clara ES. Grace Park, Caloocan.
141	Unidentified	(73)	Volunteers (6)	forced outside and beaten up	goons	Tunasan Elem. School Muntinlupa.
421	[illegible]	[illegible](3452)	Volunteers	physically injured and beaten up	Zenon Cayetano	Bo. San JOse, Mandaluyong.
0	Unidentified		Volunteer	mauled and shot at	goons	Jolo Elem. School, Mandaluyong.
0	Unidentified		Volunteers (2)	beaten up	goons	Mandaluyong.
262	[illegible]		Volunteer	manhandled	Barromo Bgy. Captain	Not specified
2816	Unidentified		Volunteer	manhandled	goons	Near Valley Golf Club
0	Unidentified		Volunteer	punched and harmed	Eusebio Magtanggol KBL Coordinator	Mandaluyong
385	Unidentified		Volunteers	harassed and punched	KBL Coordinator	Not specified
260	[illegible]	(2513)	NAMFREL Lawyer	forced outside then mauled	Bgy. Chairman and goons	Not specified
18	Unidentified		Volunteer	hit in the face	KBL goons	Not specified
179	Unidentified		Volunteers (3)	mauled	heavily armed men	Makati
73	Unidentified		Volunteers	hauled into car and beaten up by 6 persons	goons	Tunasan,Muntinlupa.
254	Unidentified		NAMFREL Chairman	beaten up	goons	BF Homes,Las Pinas.
336	Unidentified	(2519)	Volunteers	mauled,pillbox explosion, hospitalized.	goons	Mandaluyong Munc. ES,
88	Unidentified		Volunteers	severely beaten up, hospitalized.	goons	Mandaluyong.
0	Unidentified		Volunteers (2)	shot at	armed men	Pampang, Sorsogon. [illegible] NOT NAMED
792	Unidentified		Female Volunteers	attacked	policemen	Makati.
0	[illegible]		Volunteer	punched	officials	Pasay.
2022	[illegible]	(PF[illegible]	[illegible] Chairman	stabbed in from of San Bartolome Church	goons	Tanong, Malabon.
PPM 45	[illegible]			[illegible]ed	Eddie Tagalog	Makati.
[illegible]	Unspecified names		[illegible]	beaten up	Makati policemen	Makati Municipal [illegible]

2439 [illegible]	(290,279)	Volunteer	beaten up	armed goons connected with the mayor's office	Jolo ES, Mandaluyong
[illegible]	[illegible]	Volunteer	hit on the head	armed goons	Jolo ES, Prec [illegible] Mandaluyong.
[illegible] Unspecified names		Volunteers	beaten up	goons (R. Pangilinan and E. Tagalog)	Makati.
RFM 66A Unspecified names		Volunteers	manhandled	goons	Guadalupe Nuevo ES
313 [illegible]		Volunteer	beaten up, big cut on the head	goons	Makati Municipal Hall
544 [illegible]		Volunteers	beaten up	goons	Makati
1221 [illegible]		Volunteers	beaten up	goons, men in plain clothes	Makati.
Ateneo 10Unspecified names	(131,2413) (468)	Volunteers	mauled and cameras taken	unspecified	Bayanan
1346 [illegible]		Chairman	shot twice	Bgy. Chairman	Sta. Maria, Tondo
1546 [illegible]		volunteer	harassed		Region 12, Magu:danao
150 [illegible]		volunteer	slapped	Bgy. Captain	Mandaluyong
543 [illegible]		volunteer	shot	Bgy. official	509 Ligaya St., Tondo
3366 Unspecified	(RFM 115)	volunteers	ignored and pushed around	unidentified	P. Villanueva Street, Pasay City.
1114 Unspecified refer to:(2921,2914,2526)		volunteers	beaten up	Seveng Victorino Buddy Pangilinan	Benitez ES, Cacarong, Bo.Sta. Cruz, Makati.
2913 Unspecified		volunteers	slapped because of questioning	Tanggol Yabut Campaign officer	Bangkal ES, Makati
RFM 79 Unspecified		volunteers	sent out and beaten up	KBL member	Sta. Cruz, Mkt.
3004 Unspecified	(87)	volunteers	beaten up	KBL Bgy. Captains	Tejeros,W Rembo,
637 Unspecified		volunteer - f	manhandled	unspecified	Makati Municipio
2516 [illegible] refer to:(726,2518)		volunteer	beaten up	Filemon Serano and thugs	B. Isidro ES, Bo. Isidro, Makati.
3335 Unspecified refer to:(3332,3383)		photographer	mauled	7 unidentified men	Malvar ES,Bankal, Makati.
201 [illegible]			held by goons		
200 [illegible]		Chairman	beaten up, his car was stoned	goons	Namayan, Mandaluyong.
3362 [illegible] refer to:(RFM 13,2005)		NAMFREL lawyer	punched in the nose	Segio dela Cruz Bgy. Captain	Isaac Lopez ES, Tejeron, Mand.
2390 Unspecified		unspecified	harassed and beaten with 2X2	Bgy. Captain	Prec. [illegible]-A, Buhagong Bato, Mand.
RFM 39 [illegible]		volunteer	mauled	Cesar Trinidad Bgy. Captain	Abad Santos ES, Tondo, Manila.
3437 Kun	(272)	volunteer	taken at gunpoint but later released money taken	unspecified	Alabang ES, Munt.
2523 Unspecified		volunteers	firing inside precinct,camera taken	14 armed men	Prec. 183, Muntinlupa
2034 Unspecified		volunteers	scuffles with armed police	armed police	San Pablo Bgy Center
2307 Unspecified	(2906)	volunteers	scuffles with minor injuries	Mrs. Cuneta and goons	Villamor Pasay South Heights, Psay.
2606 Unspecified	(348)	7 volunteers	arrested,beaten up,charred and picked up	10-15 riot police	Pasay Municipal Hall
6 Unidentified		volunteers	harassed	Corporal Vida (policeman)	Gotangco ES, Sincego St.,Pasay.
620 Unidentified		volunteers	intimidated	unidentified men in a yellow van	Pasay City [illegible]
2037 Unidentified		volunteers	maligned/heated argument	Bgy. Captain	Zamora [illegible] Psay [illegible]
663 A[illegible]		co-chairman and	threatened	Pasay City Mayor's henchman	Pasay [illegible]
764 Unspecified	(3434)	NAMFREL inspectors	beaten up	Pess Pagcalinawan and Mundi Sta. Ana	Capt.[illegible] Bgy. St.[illegible]

[illegible] Unspecified		volunteers	threatened	armed men	P. Gomez, Manila.
92 Unspecified		volunteers	harassed	Bgy. Capt. Jimmy Cleofas and 5 goons	Bgy.Silanagan,Eulogio [illegible]
[illegible] Unspecified		volunteers	harassed	[illegible]	[illegible]
[illegible] Unspecified		volunteers	[illegible]	[illegible] and goons	[illegible] San Juan.
4307 Unspecified		volunteers	threatened at gunpoint	goon	picture in Ma aya
1017		Chairman	threatened	unidentified	Tubao, La Union.
2057		In-Charge(North)	helicopter was forced down	unidentified helicopters (2)	Santiago, Isabela.
1211 Unspecified		volunteers	harassed and not allowed inside VC	goons	Concepcion, Tarlac.
1218 Unspecified		volunteers	barricaded	goons	Tarlac, Tarlac.
3110 Unspecified		NAMFREL officials and volunteers	harassed	Bgy. Officials	Trece Martires, Cavite.
1343 Unspecified	(1903)	volunteers	harassed	driver of Mayor Verata	Amadeo, Trece Martires, Cavite.
1302 Unspecified		volunteers	harassed, sent out	30 armed goons and Assemblyman Luis Yulo	Sta. Cruz, Laguna.
3103 Unspecified		volunteers	refused entry, harassed	Mayor's men	Sitio Malang, Victoria Felix, Riz.
1315 Unspecified	(1308)	volunteers	harassed and punched	Taytay mayor	Taytay, Rizal.
1307 Unspecified		volunteers	confiscated cameras and harassed	Mayor Nicomedes Patino and goons	Unit I Pililia ES, Tabunan,Rizal.
276 Unspecified	(3120)	volunteers	harassed and forced out	mayor and goons	Cainta, Rizal.
2390		volunteers	maltreated	KBL reps.	San Mateo, Rizal.
1409 Unspecified	(3217)	volunteers	beaten up	police and market guard	Camarines Sur
141 Unspecified (2)		volunteers	shot	unidentified	Pampang, Sorsogon.
1515 Unspecified		volunteers	harassed, film taken and confiscated	mayor	Suiabal, Iloilo.
1601 Unspecified		volunteers	harassed and manhandled	unidentified men	Danao, Cebu.
553		volunteer	gunned down	Dipot Arradaga	Baybay, Leyte.
2343 Namfrel HQ			raided	military men	Baybay, Leyte.
294 Namfrel HQ			attacked	military men	Tacloban, Leyte.
1805 Unspecified		volunteers	harassed	CHDF	Diyanan, Dipolog City Zamboanga del Norte
801 Unspecified		volunteers	harassed	mayors	Maguindanao, Matanog, Cotabato.
939 Unspecified		Dist. Chairman for muslim towns and 1 muslim munic. chairman	hunted	on orders of Ali Dimaporo	Lanao
586		Volunteers	stoned	unspecified	Mandaluyong.
695 Unidentified		Volunteers	shot at	armed men	Muntinlupa.
1 Unidentified		Volunteers	threat, intimidation, terrorism	unspecified	Bamban,Concepcion
					Capas, Tarlac.
					Pansi,Bulacan.
				military men	Mabalacat,Pampanga.
					Cabanatuan,N.Ecija.
1 [illegible]		Chairman	death threats	unspecified	La Union
1 Unidentified		Volunteers	injuries	unspecified	Bgy. Tabuk & Sto. Rosario,San Juan, La Union.
1 Unspecified		[illegible] and BEI	threatened, offered bribes	unspecified	Agoo,La Union.
1 Unspecified		[illegible]	threatened by showing guns,bullets	KBL watchers	Balaoan,La Union.
1 Unspecified		[illegible]	intimidated	Gov. Dy's men	Isabela.
1 Unspecified		[illegible]	[illegible] injuries	unspecified	Negros Occidental.
1 Unspecified			[illegible]	unspecified	Gingoog City, Misamis Oriental.
1 Unspecified		[illegible]	[illegible]	Bgy. Officials	Agusan del Norte

1 Unspecified	Volunteers	intimidated and harassed	unspecified	Agusan del Norte
1 Uspecified	Volunteers	slapped	unspecified	Cambagan,Bahi, [illegible] Surigao Sur

TOTAL REPORTED CASES 99

NAMFREL VOLUNTEERS DETAINED OR MISSING IN ACTION

SERIAL #	NAME	DESIGNATION	HOW HURT	BY WHOM	PLACE
418	Unspecified	volunteer	unspecified	unidentified	Navotas.
702	[illegible]	volunteer	unspecified (arrested)	Makati police	J.P. Rizal cor. SSHW
2936	Unspecified	volunteers	plate no. MAY 652 - green Toyota Corolla	goons plain clothes	E. Bantay ES, Makati. Makati.
2173	Unspecified	volunteer	arrested while stopping flying voters	police	
1019	Assumption Num	volunteer	arrested ; locked in office	unspecified	Bangkal Health Ctr. Gen. P. Santos, Mkt.
4120	[illegible]	strike force to Guadalupe	missing, not yet returned home		
2137	Unspecified (5)	NAMFREL reps.	picked up and snatched IDs	Gov. Faustino Dee	Santiago, Isabela.
2327	[illegible]	volunteer	beaten and arrested	CHDF	Concepcion, Tarlac.
1338 0	[illegible]	Chairman and Secretary	locked in a room and harassed	local officials	San Mateo, Rizal.
551	Unspecified	volunteers	arrested and charged with illegal possession of firearms.	unidentified	Camores Island, Cebu.
147	Unidentified	Volunteer	mauled then imprisoned	officials	Not specified
73	Unidentified	Volunteers	beaten up, still missing	goons	Felipe St.,Guadalupe.
1	Unspecified	Volunteers (2)	held inside a polling center	men of KBL leader	Bgy. Irisan Baguio City
1	Unspecified	Volunteers (5)	arrested	Gov. Dy's men	Isabela.
1	[illegible]	Vice-Chairman	missing had PTF nos. 030021,030024-25 and 37		Masinloc,Zambales.
1	-	Volunteer	detained		Negros del Norte.
1	Unidentified	Volunteer	arrested and freed after 3 hours	Mayor Perez	San Miguel, Agusan del Sur.

TOTAL CASES REPORTED 19

NAMFREL VOLUNTEERS MURDERED,KILLED OR HAVE DIED IN THE LINE OF DUTY

SERIAL #	NAME	DESIGNATION	H O W H U R T	BY WHOM	PLACE
1234	[illegible] (1222)	NAMFREL Vice Chairman for Porac	heart attack during a heated arguement due to irregularities	natural (police chief)	Porac, Pampanga.
0[illegible]	[illegible]	Volunteer	fatally injured from gunshot, died.	goons	Roxas City, Capiz.
1353		volunteer	shot to death after bravely challenging the anomalous counting of ballots		Bunawan, Agusan del Sur.

TOTAL CASES REPORTED 3

COMELEC - NAMFREL PARTNERS

PARALLEL TABULATION of ELECTION RETURNS

Philippine International Convention Center
February 7, 1986

COMELEC-NAMFREL PARALLEL TABULATION OF ELECTION RETURNS (PARTNERS)

The common objective of PARTNERS is the speedy and accurate tabulation and dissemination to the public of the election results. The system spans the entire country and the process begins with the completed precinct election returns involving about 90,000 precincts and ends with the periodic dissemination of national, regional and provincial summaries of election results.

The reporting flow of the advance election returns goes through three major phases: PHASE I - TRANSMISSION, PHASE II - TABULATION, and PHASE III - DISSEMINATION (Flowchart Enclosed).

PHASE I - TRANSMISSION

In the Transmission Phase, COMELEC and NAMFREL join hands in checking the accuracy of election returns and in facilitating the flow of the returns from the precincts to the national tabulation centers.

From the precincts, the fourth (4th) copy of the Election Returns and the accomplished NAMFREL Precinct Tally Forms (PTFs) are brought by the NAMFREL Carrier to the Election

Registrar. The Election Registrar checks the PTF against the 4th copy of the election returns. If they match, the Election Registrar notes the PTF, otherwise the errors are corrected before the PTF is noted.

Noted PTFs are then brought by a NAMFREL Courier to the carrier transmitting station. The Common Carriers send the election returns from the noted PTFs to the National Tabulation Center of COMELEC at PICC and to the NAMFREL National Tabulation Center at La Salle Greenhills. In the case of Metro Manila and outlying areas, the noted PTFs are brought directly to the National Tabulation Center of the COMELEC at PICC where one copy of the PTFs is dropped. From PICC, the Courier proceeds to drop the other copy of the PTF at the NAMFREL National Tabulation Center in La Salle Greenhills.

PHASE II - TABULATION

The National Tabulation of the advance election returns is done in parallel by the COMELEC computer processing system at PICC and the NAMFREL Computer Processing System at La Salle Greenhills.

The COMELEC National Tabulation System

The computerized tabulation of the advance election returns at the COMELEC National Tabulation Center at PICC starts with the receipt of the telex messages and noted PTFs.

Receiving of Telexes and PTFs

Telexes and 'PTFs are formally received by a COMELEC Representative. The accepted telexes and PTFs are turned over to the Tabulation Center for recording.

Preparation of Telexes and PTFs for Machine Encoding

The recorded telexes and PTEs are then sorted and batched by groups of thirty (30) to facilitate processing. Before turning over the batched documents for machine encoding, the precinct reports are first checked against the authorized listing of precincts in order to eliminate double reporting.

Machine Encoding - The batched documents are machine encoded with the use of 90 microcomputers.

Proofreading - The encoded data are printed out and sight-verified against the corresponding telexes and PTPs to check on the accuracy of machine encoding.

Computer Consolidation, Tabulation and Printing of Reports

Finally, the machine encoded data are consolidated by Region, by Province, and by Municipality. After consolidation, the election returns are tabulated and printed out in table form with the rows indicating the regions and their respective provinces, and the columns indicating the candidates.

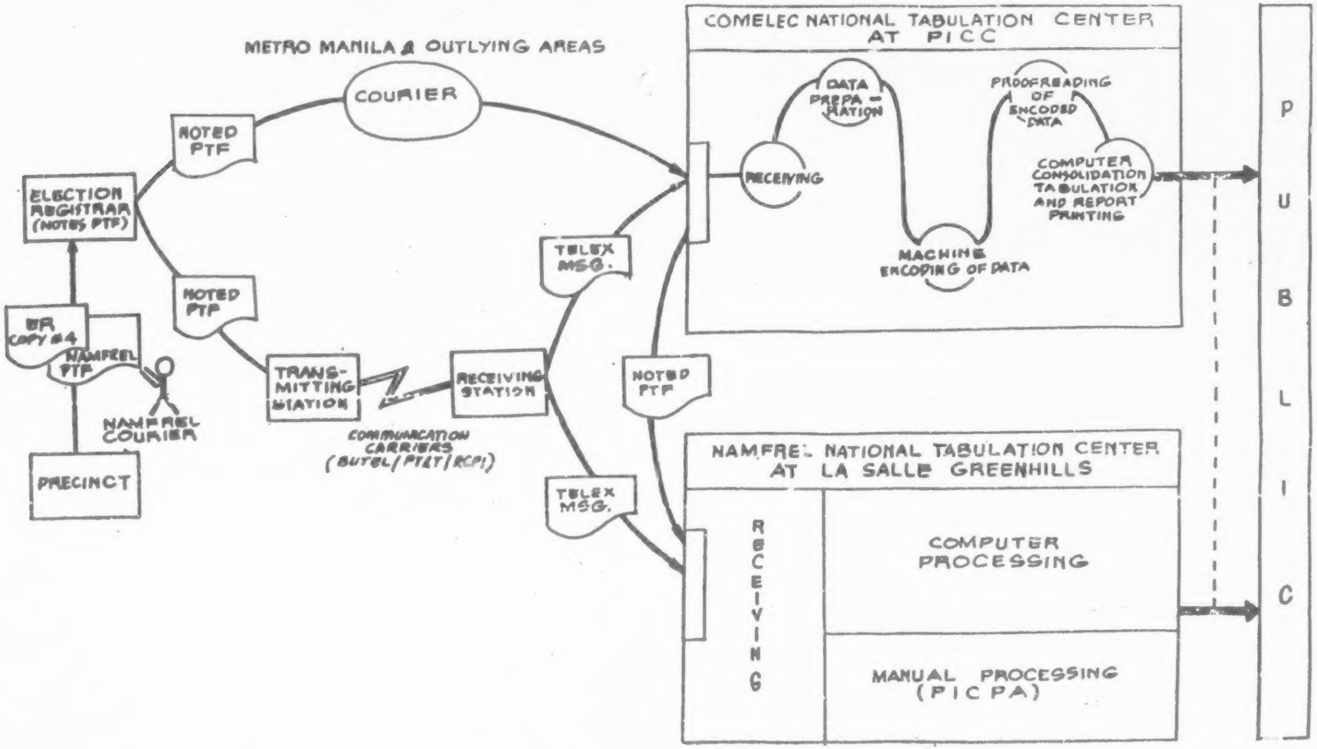
The NAMFREL National Tabulation System

At the NAMFREL National Tabulation Center, the advance election returns will go through a computer processing system and a calculator-aided manual processing system.

PHASE III - DISSEMINATION

Cumulative advance election results will be released to the PUBLIC simultaneously by COMELEC and NAMFREL on a regular basis.

COMELEC-NAMFREL PARALLEL TABULATION OF ELECTION RETURNS (PARTNERS)



METRO MANILA & OUTLYING AREAS
COURIER
NOTED PTF
ELECTION REGISTRAR (NOTES PTF)
NOTED PTF
ER COPY #4
NAMFREL PTF
NAMFREL COURIER
PRECINCT
TRANS-MITTING STATION
RECEIVING STATION
COMMUNICATION CARRIERS (BUTEL/PT&T/RCPI)
TELEX MSG.
TELEX MSG.
NOTED PTF
COMELEC NATIONAL TABULATION CENTER AT PICC
RECEIVING
DATA PREPA-RATION
MACHINE ENCODING OF DATA
PROOFREADING OF ENCODED DATA
COMPUTER CONSOLIDATION TABULATION AND REPORT PRINTING
NAMFREL NATIONAL TABULATION CENTER AT LA SALLE GREENHILLS
RECEIVING
COMPUTER PROCESSING
MANUAL PROCESSING (PICPA)
PUBLIC

GUIDELINES ON COMELEC NAMFREL PARALLEL TABULATION OF ADVANCE ELECTION RESULTS

WHEREAS, the Commission on Elections (COMELEC) has the constitutional mandate to see to it that the elections are held in a free, orderly, honest and credible manner, which necessarily includes the fast public dissemination of accurate election results;

WHEREAS, COMELEC, pursuant to its mandated duty, will tabulate the advance election results at the PICC;

WHEREAS, the National Citizens Movement for Free Elections (NAMFREL) has been accredited as COMELEC'S citizen arm to assist COMELEC in the attainment of its constitutionally mandated duties above-stated in order that the sovereign right of the Filipino people to choose their leaders freely and to be informed of the results of their choice;

WHEREAS, NAMFREL has offered to conduct also a separate but parallel and coordinated tabulation of the advance results at the La Salle Greenhills, San Juan, Metro Manila;

WHEREFORE, in view of the foregoing and in order to ensure the accuracy of the tabulation of advance results, COMELEC RESOLVES to authorize NAMFREL to conduct its own tabulation of advance results subject to the following terms and conditions:

1. COMELEC and NAMFREL shall conduct separate but parallel and coordinated tabulation of advance results.

COMELEC will tabulate the results at the PICC while NAMFREL will tabulate at the La Salle Greenhills.

The tabulation shall not be stopped and must be completed until the election returns of all precincts reported to the COMELEC have been tabulated.

2. No transmission of the results from any precinct will be made except on the basis of a complete count of such precinct, indicating therein the votes of all candidates for President and Vice-President.

3. The transmission of results to the COMELEC and NAMFREL Tabulation Centers shall be done simultaneously and made through means that produce a "hard copy" for proper verification.

4. All postings, announcements, and releases of election results shall be done simultaneously at both Tabulation Centers. No trending or extrapolation of election results shall be authorized.

5. The gathering and delivery of all election results shall be mutually monitored at both Tabulation Centers by the representatives of COMELEC and NAMFREL who shall have the right to be present and take note of all deliveries/receipts of the results.

PROCEDURE FOR GATHERING AND TRANSMISSION OF ADVANCE ELECTION RESULTS:

I. In the National Capital Region -

a) Each office of the Election Registrars shall be constituted into a collection center for the 4th copies of the election returns from all election precincts for delivery to the PICC.

b) The authorized NAMFREL representative shall take delivery under proper receipt the 4th copy of the election return from the Board of Election Inspectors (BEI) and the NAMFREL Precinct Tally Form (PTF) in triplicate duly signed by all the members of the board. The NAMFREL representative shall also be given by the board of inspectors one copy of the Certificate of Votes obtained by Candidates (COMELEC Form 13) in the precinct.

c) Upon delivery to the election registrar of the 4th copy of the election return and the PTF and Form 13, he shall note the time of receipt of the return and authenticate the PTF and Form 13 with his signature.

d) The Election Registrar shall then retain the 4th copy of the election return of the corresponding precinct and one copy of the PTF and give two other PTF copies and COMELEC

Form 13 to the NAMFREL representative who shall deliver 1 copy of PTF to PICC Tabulation Center first and then the other copy of PTF and Comelec Form 13 to La Salle Greenhills.

II. In areas near Manila from which election results are to be transmitted by courier -

a) The board of inspectors of the precincts where the 4th copy of the election returns will be transmitted by courier shall be delivered to the duly authorized representative of the NAMFREL. The board shall also sign the PTF and issue one copy of the certificate of votes obtained by candidates (COMELEC Form 13) to said NAMFREL representative.

b) The procedure outlined under I(b), I(c) and I(d) above stated is hereby adopted.

c) Whenever a COMELEC representative is available, he may accompany the NAMFREL representative in making the deliveries.

III. In areas where the advance election results will be transmitted by telegram/telex through RCPI, PT & T and other similar facilities:

a) NAMFREL shall designate its representative at the precinct level to the Municipal Election Registrar and the BEI who is authorized to secure the fourth copy of the Election Returns (ER) and appropriate transmission forms which consist of the carbonless triplicate NAMFREL Precinct Tally (PTF Form) and a copy of Comelec Form 13, all duly signed by the Board of Election Inspectors (BEI). The forms will all be brought to the Election Registrar.

b) The Election Registrar shall then open the fourth copy of the advance ER and in the presence of the

NAMFREL representative verify the data called for in the transmission form (PTF) and then sign all the aforesaid forms.

c) Upon verification that the data in the PTF are the same as the fourth copy of the election return, the Election Registrar shall sign the PTF, retain the fourth copy of the return and one copy of the PTF, give to the NAMFREL representative the two copies of the PTF and Comelec Form 13 and direct said NAMFREL representative to transmit simultaneously the election results through PT & T, RCPI or other similar carrier to the PICC and La Salle Greenhills Tabulation Center.

IV. A "hard" copy of the transmission form, duly acknowledged by the telegraphic station as received for transmission, shall be returned to the Election Registrar by the NAMFREL representative. If the Election Registrar notes any discrepancy between what has been sent to the PICC and NAMFREL Tabulation Centers and the fourth copy of the election return, he shall forthwith order the NAMFREL representative to, or, if he so chooses, personally make re-transmission of the correction(s) to the Tabulation Centers.

V. With respect to precincts from which the NAMFREL representatives do not have a duly signed triplicate copies of the PTF, the results to be transmitted by the carrier shall be a transmission copy of the election results as copied by the Election Registrar from the fourth copy of the return as provided for in Par. IV above with regards to the "hard" copy and discrepancy, if any.

VI. In all cases, if there are differences or discrepancies between the fourth copy of the election return and the PTF form and, where applicable, Form 13, the Election Registrar shall so annotate them on the transmission forms and, in the presence of the NAMFREL representative, copy the results from the fourth copy of the election return in a COMELEC telegraphic form in triplicate which he shall sign. The original of the telegraphic form shall be given to the NAMFREL representative for transmission, the duplicate copy shall be retained and kept by the NAMFREL representative. The Election Registrar shall keep the third copy for his file. The procedure stated in Par. IV above shall also be followed as applicable.

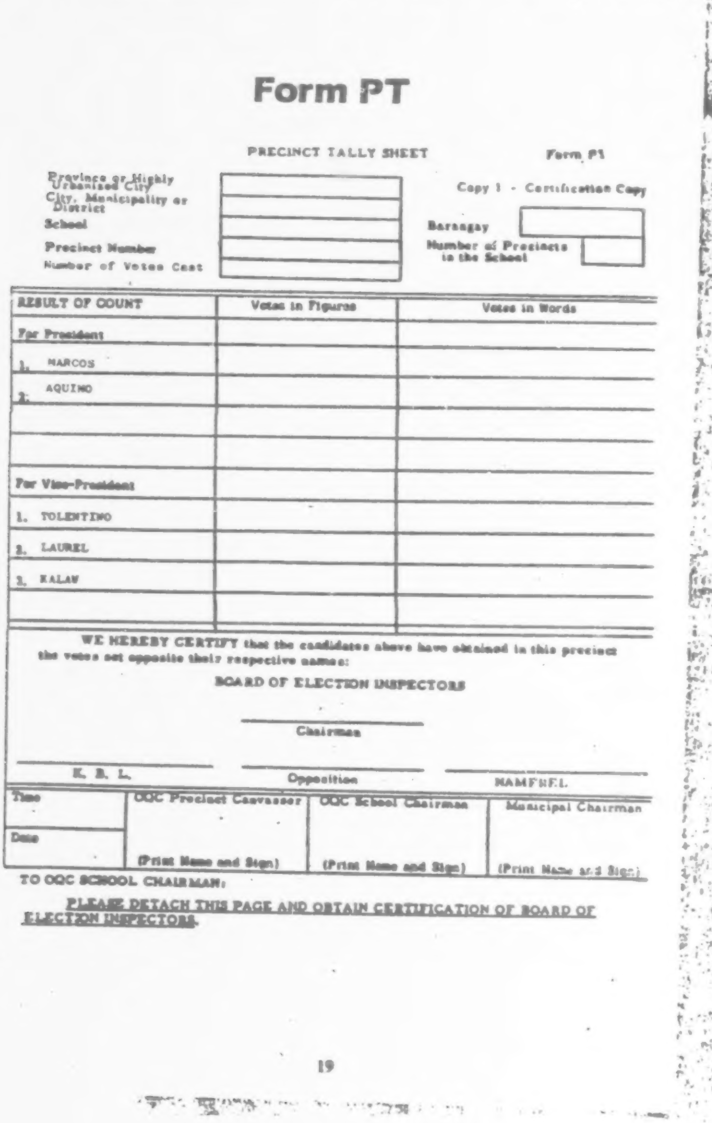
VII. All Election Registrars and other personnel of COMELEC by virtue of their responsibilities in regard to the tabulation of advance election results, are directed to stay in their offices until all results are transmitted to ensure the prompt transmission of election results.

VIII. To ensure the successful implementation of the tabulation, COMELEC shall issue the appropriate instruction to its officials, registrars, board of election inspectors, and law enforcement agencies to assist and protect COMELEC and NAMFREL personnel in the performance of their duties in connection with the tabulation of advance election results.

IX. To allow a reasonable number of representatives of COMELEC and NAMFREL to be present at each others tabulation centers in Greenhills & PICC to observe and/or monitor operations. It is understood that such representatives of COMELEC and NAMFREL assigned to the other's Center must be civilians and must not be allowed to carry weapons of any kind and must not violate rules for safety, discipline and orderliness.

X. The COMELEC and NAMFREL shall jointly work out and approve the system and procedures for the tabulation of advance election results so that the posting, release or announcement of election data/results in both Tabulation Centers shall be done simultaneously.

XI. The COMELEC shall issue a resolution embodying or accepting all the terms, provisions and conditions in this guidelines and which supercedes and/or modifies provisions in Resolution No. 1763 dated January 28, 1986 which are inconsistent with the above guidelines.



Form PT

PRECINCT TALLY SHEET

Form PT

Copy 1 - Certification Copy

Province or Highly Urbanized City
City, Municipality or District
School
Precinct Number
Number of Votes Cast

Barangay
Number of Precincts in the School

RESULT OF COUNT	Votes in Figures	Votes in Words
For President		
1. MARCOS		
2. AQUINO		
For Vice-President		
1. TOLENTINO		
2. LAUREL		
3. KALAW		

WE HEREBY CERTIFY that the candidates above have obtained in this precinct the votes set opposite their respective names:

BOARD OF ELECTION INSPECTORS

Chairman

K. B. L.

Opposition

NAMFREL

Time Date	OQC Precinct Canvasser (Print Name and Sign)	OQC School Chairman (Print Name and Sign)	Municipal Chairman (Print Name and Sign)

TO OQC SCHOOL CHAIRMAN:

PLEASE DETACH THIS PAGE AND OBTAIN CERTIFICATION OF BOARD OF ELECTION INSPECTORS.

19

NAMFREL PRESS RELEASE

NATIONAL CITIZENS MOVEMENT FOR FREE ELECTIONS PRESS RELEASE NO. _____ DATE: Feb. 9, 1986

c.gc 1

STATEMENT OF NAMFREL EXECUTIVE COUNCIL

In the name of the hundreds of thousands of NAMFREL volunteers in the field, who have exceeded the limits of human endurance for the past three (3) days defending the will of the people, we would like to make this statement in response to allegations:

- That NAMFREL has been using "spurious" documents in its Operation Quick Count.
- That NAMFREL has failed to comply with the COMELEC-NAMFREL agreement on OQC.
- That NAMFREL has been causing trouble and violating election regulations in the precincts.

Basis of NAMFREL OQC

1. The numbers being posted by NAMFREL at La Salle Greenhills are ALL BASED ON THE NUMBER OF VOTES CERTIFIED BY THE BOARD OF ELECTION INSPECTORS IN EACH PRECINCT, except in those cases where they refused to sign despite accurate figures. Outside of these

few exceptions, every document we have used, namely the Certificate of Votes (COMELEC Form No. 13) and the NAMFREL carbonless Precinct Tally Form (PTF- in 13 copies) bears the signature and/or thumbmark of the BEI members, namely the Chairman who is a school teacher, the KBL inspector, the UNIDO inspector, and the Poll Clerk, in the precinct. This is true for all courier-transmitted data. For telecom-transmitted results, the documents used are telex reports based on similarly authenticated documents.

These are all verifiable data and WE ARE PREPARED TO SHOW THE SUPPORTING DOCUMENTS FOR OUR TABULATION AT THE SAME TIME THAT THE COMELEC, THE MEDIA POLL COUNT, OR ANY OTHER COUNT, SHOULD ALSO SHOW THE BASIS OF THEIR COUNT, BEFORE ANY IMPARTIAL BODY AND IN FULL VIEW OF THE MEDIA AND THE PUBLIC.

2. The PTF is an official NAMFREL-printed form. The COMELEC Commissioners are aware of this and in fact, as proven in the signed agreement, they have accepted this form as the transmission form for election results and as the joint basis for

the tabulation by the COMELEC at the PICC and by NAMFREL at La Salle Greenhills. At no time did the COMELEC question the form or request that we pre-register our PTF as now alleged by Commissioner Opinion

3. All our tabulations at La Salle Greenhills are based on actual, current figures as received. In accordance with our agreement with the COMELEC, WE HAVE NOT DONE ANY TRENDING OR EXTRAPOLATION AT ANY TIME WHATSOEVER. All the votes are recorded as they come in, sometimes in trickles and sometimes in batches, but AT NO TIME HAS NAMFREL"BEEN HIDING ELECTION RETURNS" NOR DOING A SELECTIVE POSTINGOF RESULTS.

4. Knowing these considerations, we are confident of the authenticity and accuracy of our OQC at Greenhills and, IF THE FIGURES OF ALL OTHER COUNTS ARE SIMILARLY BASED ON THE ACTUAL COUNTING AT THE PRECINCT LEVEL AS CERTIFIED BY THE BOARD OF ELECTION INSPECTORS, we are confident that their results will eventually align with our results.

COMELEC-NAMFREL AGREEMENT

1. With respect to the allegation that NAMFREL is violating the

NAMFREL PRESS RELEASE
NATIONAL CITIZENS MOVEMENT FOR FREE ELECTIONS PRESS RELEASE NO. ______ DATE: ________

Page 4

the agreement with the COMELEC on the joint Quick Count, because NAMFREL couriers are reportedly not giving the COMELEC Center at PICC the election results, we would like to ~~show everybody what are~~ clarify that we have complied with the procedures of the COMELEC-NAMFREL agreemant, in so far as the circumstances have allowed.

2. Based on this agreement, NAMFREL has been furnishing copies of the Precinct Tally forms received within NCR to the COMELEC. representativ stationed near the "action-center" at the NAMFREL OQC tabulation center. Likewise NAMFREL couriers stationed at the COMELEC PICC tabulation center bring reports to the La SMlle Greenhills Tabulation Center.

3. If at all, the delay or breakdown in the OQC can be directly traced ~~[illegible]~~ to the following points of the agreement:—

NAMFREL PRESS RELEASE

NATIONAL CITIZENS MOVEMENT FOR FREE ELECTIONS PRESS RELEASE NO. _____ DATE: _______

Page 5

a.) To ensure that there is a NAMFREL volunteer in very precint to get the OQC forms, COMELEC committed to instruct all election registrars to "expedite without delay the appointment of NAMFREL pollwatchers.." THIS HAS NOT BEEN DONE. As a result, there were many polling places NAMFREL pollwatchers were not able to man the precincts because of delays in or lack of appointment. In many others, they were driven out by local and barangay officials. How could our volunteers then be expected to get a copy of the election returns from these precincts?

b.) COMELEC also committed that the accreditation of NAMFREL would not be withdrawn unless there is prior notice in writing to the Chairman of COMELEC, and only after similar notice and hearing by the supervising COMELEC Commissioner of the region and the NAMFREL chairman. But in places like Isabela, Antique, Negros del Norte, Quirino, etc. the NAMFREL accreditation was revoked without ~~[illegible]~~ abiding by these foregoing procedures, despite our repeated appeals to the COMELEC, based on reports from the field, that these ~~[illegible]~~ actions had taken place. How could our volunteers then be expected to get the election results in these areas?

c.) COMELEC also committed to require all other groups engaged in advance

Page 6

tabulation, such as the MEDIA Poll Count and Kapisanan ng Mga Brodkasters sa Pilipinas (KBP), to use only the count posted at either the NAMFREL La Salle Tabulation Center or the COMELEC PICC Center for dissemination. AGAIN THIS WAS NOT DONE. As early as Friday evening, various television stations were broadcasting election results based on the so-called Media Poll Count. ~~However~~ This in our view caused the ~~you then could the~~ consequent confusion in the public mind about the election count,

d.) Under the agreement, COMELEC also committed that the fourth copy of the Election Returns, which is COMELEC's copy, would be given by the Board of Election Inspectors to the NAMFREL pollwatcher so he could bring it to the Election Registrar together with the PTF and Form 13 to be signed by the Election Registrar. ~~However, in view of~~ Because the COMELEC decided on this procedure only 36 hours before election day ~~[illegible]~~ ~~[illegible]~~, ~~SOME~~ MANY BOARDS OF ELECTION INSPECTORS REFUSED TO GIVE THIS FOURTH COPY OF THE ELECTION RETURNS TO OUR VOLUNTEERS FOR TRANSMITTAL TO THE ELECTION REGISTRAR. In addition, they also refused to sign the Certificate

NAMFREL PRESS RELEASE

NATIONAL CITIZENS MOVEMENT FOR FREE ELECTIONS PRESS RELEASE NO. _____ DATE: _________

Page 7

of Votes (COMELEC FORM 13) and the Precinct Tally Forms. ~~[illegible]~~ How could ~~you~~ we expect our volunteers to deliver the Election Returns when it is not being given to them?

e.) Under the agreement, COMELEC registrars are supposed to re-aunthenticate and sign the Certificate of Votes, Form 13 and Precinct TALLY Forms prior to transmission to the tabulation centers. NAMFREL agreed to this step, even if it meant additional delay and even if the forms had already been authenticated and signed by the Board of Election Inspectors at the precinct, to satisfy COMELEC requirements. Yet, in ~~some~~ many instances, the ELECTION REGISTRAR ~~[illegible]~~ AND HIS AIDE WERE NOT AVAILABLE TO SIGN THE DOCUMENTS, OR EVEN REFUSED TO REVIEW THE DOCUMENTS. We were assured by the COMELEC Commissioners that the Election Registrar will always be available and if he is not available an "aide" will always be present to comply with the agreement. ~~How could you fault~~ THE volunteers ~~without~~ THEREFORE HAD TO DESPATCH ~~election results through~~ the PTF without the second authentication of the Election Registrar? ~~?~~ .

FOR INQUIRIES, CONTACT
BENJAMIN V. LOZARE (772472) SUSAN JAVELOSA (708353) or NICK REBONG (773711)

NAMFREL
PRESS RELEASE

NATIONAL CITIZENS MOVEMENT FOR FREE ELECTIONS PRESS RELEASE NO. _____ DATE: _________

Page 8

f.) Under the agreement, where results have to be transmitted by telecommunication carrier, COMELEC required NAMFREL to transmit results only through means that produce a "hard copy" meaning it is backed up by a documented tally. NAMFREL agreed to this requriement, even if it meant additional delay again and in spite of its reliance on radio/telephone transmission in the last Batasan election. NAMFREL has been [redacted] complying with this requirement: THERE IS NO FIGURE ON OUR TABULATION BOARDS THAT IS NOT BASED ON A "HARD COPY". [redacted]. But we would like to ask: Why are [redacted] the Media Poll Count and other counts [redacted] not [redacted] subjected to this requriement? Why are they not required to produce proof of a "hard copy" of what they have been broadcasting or printing?

g.) And finally, under the agreement, it was specified that the transmission of telegrams would be done through "RCPI, PT &T or similar carriers." Since RCPI had the most extensive and reliable network as demonstrated in the last Batasan election, our main tabulation center and our volunteers all over the country had made arrangements to use the RCPI network and already conducted trial runs. But despite two assurances, on Wednesday, Feb. 5 by the COMELEC technical director and on Thursday evening Feb. 6 by one of the Commissioners, on election day itself, COMELEC Chairman Savellano reportedly issued instructions to all election registrars to allow telegrams only through PT & T, thereby resulting in confusion in the field. How can we implement our procedures when the COMELEC agrees to one procedure and subsequently gives contradictory instructions without prior notice to us?

ON THE BASIS OF ALL THESE FACTS, NAMFREL MAINTAINS THAT IT HAS COMPLIED AS MUCH AS PRACTICABLE WITH THE AGREEMENT AND IT IS THE UNWORKABLE PROCEDURES UNILATERALLY INTRODUCED BY COMELEC WHICH WERE THE MAJOR CAUSE OF THE CONFUSION.

NAMFREL PRESS RELEASE

NATIONAL CITIZENS MOVEMENT FOR FREE ELECTIONS PRESS RELEASE NO. _____ DATE: _________

Disorder and Violations

1. Finally, with respect to allegations that NAMFREL volunteers have been the ones causing trouble and violating election laws at the polling places, we feel THIS IS THE SUPREME INSULT TO THE HUNDREDS OF THOUSANDS OF ORDINARY FILIPINOS WHO ARE OUT THERE GUARDING THE BALLOTS AS NAMFREL VOLUNTEERS, ENDURING HUNGER, FATIGUE, LACK OF SLEEP, TENSION AND HAZARDOUS CONDITIONS, only to make sure that the will of the Filipino people is respected.

2. NAMFREL was organized precisely to ensure that elections are clean and orderly. That is its only aim. Regardless of whether the KBL or UNIDO wins the election, NAMFREL is prepared to give its support FOR AS LONG AS THE ELECTION HAS BEEN [illegible] CLEAN AND HONEST. Our focus and concern is ~~directed to the~~ THE integrity of the electoral process. It is, therefore, inconceivable that NAMFREL should be accused of being responsible for disorder and violence at the polls.

3. In fact, what is very clear is taht many NAMFREL volunteers have been the VICTIMS, NOT THE PERPETRATORS, of election disorder and violence.

FOR INQUIRIES, CONTACT
BENJAMIN V. LOZARE (772472) SUSAN JAVELOSA (708353) or NICK REBONG (773711)

ANNEX XXXIV
Page 236

NAMFREL PRESS RELEASE

NATIONAL CITIZENS MOVEMENT FOR FREE ELECTIONS PRESS RELEASE NO. ______ DATE: ________

y/12

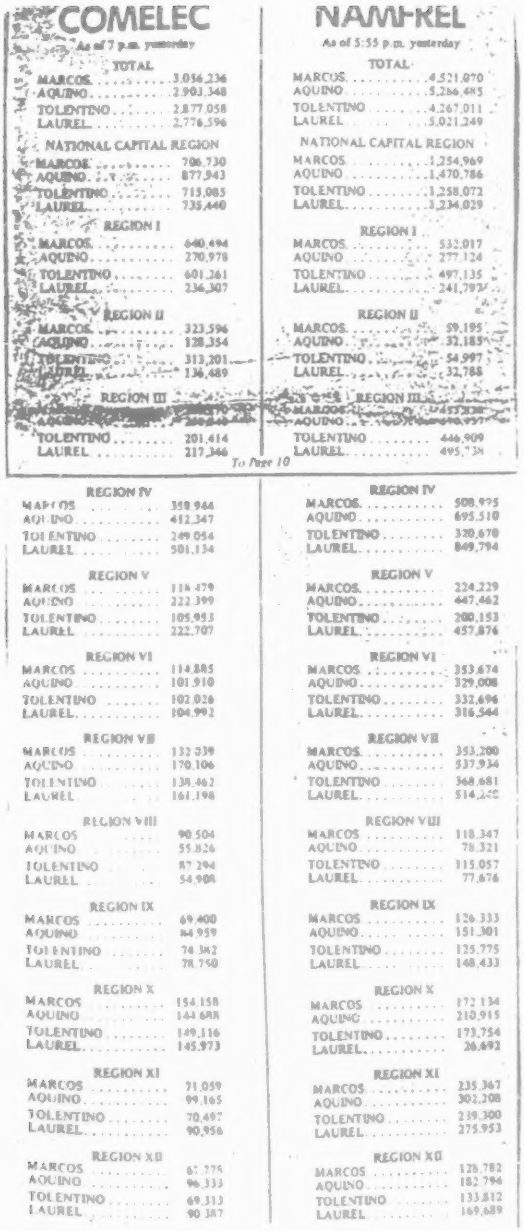
WITH THEIR CONTINUING SUPPORT, AND WITH THE HELP OF OUR FATHER IN HEAVEN, NAMFREL WILL NOT GIVE UP ITS FIGHT FOR CLEAN AND HONEST ELECTIONS.

-o-

[redacted].

FOR INQUIRIES, CONTACT:
BENJAMIN V. LOZARE (772472) SUSAN JAVELOSA (708353) or NICK REBONG (773711)

NAMFREL National Office: 8th Floor, RFM Building, Pioneer St., Mandaluyong, Metro Manila



COMELEC

As of 7 p.m. yesterday

TOTAL	
MARCOS	3,056,236
AQUINO	2,903,348
TOLENTINO	2,877,058
LAUREL	2,776,596
NATIONAL CAPITAL REGION	
MARCOS	706,730
AQUINO	877,943
TOLENTINO	715,085
LAUREL	735,440
REGION I	
MARCOS	640,494
AQUINO	270,978
TOLENTINO	601,261
LAUREL	236,307
REGION II	
MARCOS	323,596
AQUINO	128,354
TOLENTINO	313,201
LAUREL	136,489
REGION III	
[illegible]	[illegible]
AQUINO	[illegible]
TOLENTINO	201,414
LAUREL	217,346
REGION IV	
MARCOS	358,944
AQUINO	412,347
TOLENTINO	249,054
LAUREL	501,134
REGION V	
MARCOS	118,479
AQUINO	222,399
TOLENTINO	105,953
LAUREL	222,707
REGION VI	
MARCOS	114,885
AQUINO	101,910
TOLENTINO	102,026
LAUREL	104,992
REGION VII	
MARCOS	132,339
AQUINO	170,106
TOLENTINO	138,462
LAUREL	161,198
REGION VIII	
MARCOS	90,504
AQUINO	55,826
TOLENTINO	87,294
LAUREL	54,908
REGION IX	
MARCOS	69,400
AQUINO	84,959
TOLENTINO	74,382
LAUREL	78,750
REGION X	
MARCOS	154,158
AQUINO	144,688
TOLENTINO	149,116
LAUREL	145,973
REGION XI	
MARCOS	71,059
AQUINO	99,165
TOLENTINO	70,497
LAUREL	90,956
REGION XII	
MARCOS	67,775
AQUINO	96,333
TOLENTINO	69,313
LAUREL	90,387

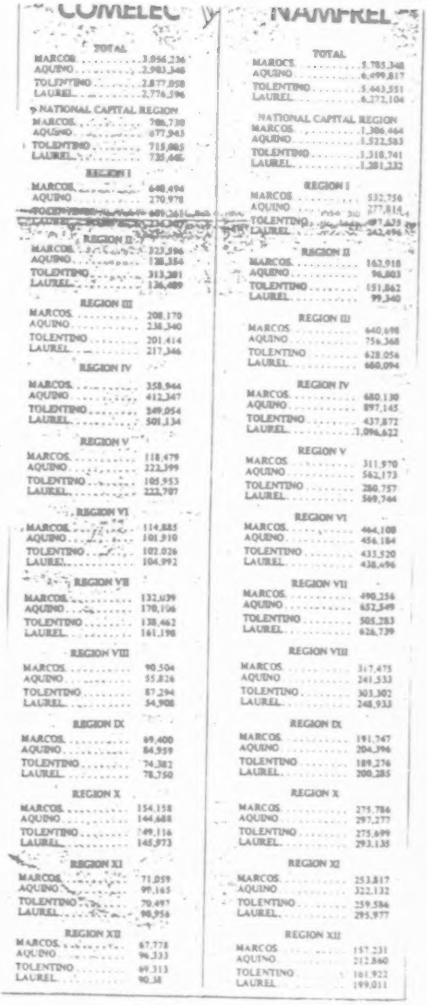
NAMFREL

As of 5:55 p.m. yesterday

TOTAL	
MARCOS	4,521,070
AQUINO	5,266,485
TOLENTINO	4,267,011
LAUREL	5,021,249
NATIONAL CAPITAL REGION	
MARCOS	1,254,969
AQUINO	1,470,786
TOLENTINO	1,258,072
LAUREL	1,234,029
REGION I	
MARCOS	532,017
AQUINO	277,124
TOLENTINO	497,135
LAUREL	241,797
REGION II	
MARCOS	59,195
AQUINO	32,185
TOLENTINO	54,997
LAUREL	32,788
REGION III	
MARCOS	[illegible]
AQUINO	[illegible]
TOLENTINO	446,909
LAUREL	495,738
REGION IV	
MARCOS	508,975
AQUINO	695,510
TOLENTINO	320,670
LAUREL	849,794
REGION V	
MARCOS	224,229
AQUINO	447,462
TOLENTINO	200,153
LAUREL	457,876
REGION VI	
MARCOS	353,674
AQUINO	329,008
TOLENTINO	332,696
LAUREL	316,544
REGION VII	
MARCOS	353,200
AQUINO	537,934
TOLENTINO	368,681
LAUREL	514,240
REGION VIII	
MARCOS	118,347
AQUINO	78,321
TOLENTINO	115,057
LAUREL	77,676
REGION IX	
MARCOS	126,333
AQUINO	151,301
TOLENTINO	125,775
LAUREL	148,433
REGION X	
MARCOS	172,134
AQUINO	210,915
TOLENTINO	173,754
LAUREL	26,692
REGION XI	
MARCOS	235,367
AQUINO	302,208
TOLENTINO	239,300
LAUREL	275,953
REGION XII	
MARCOS	128,782
AQUINO	182,794
TOLENTINO	133,812
LAUREL	169,689

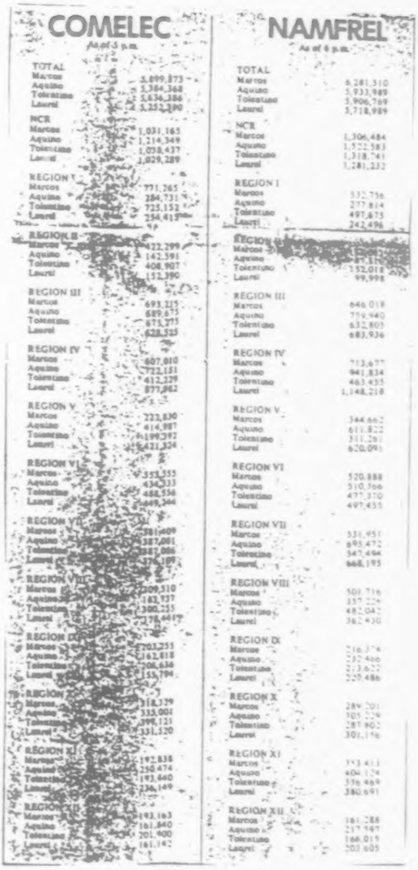
To Page 10

MANILA TIMES



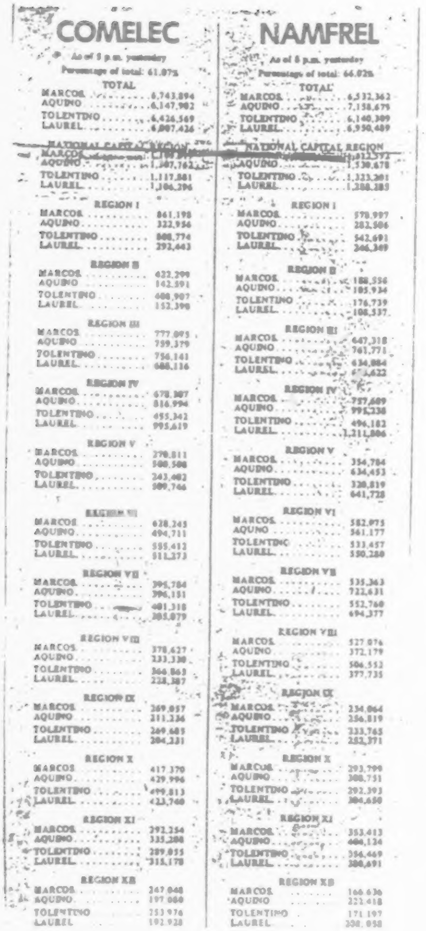
	COMELEC	NAMFREL
TOTAL		
MARCOS	3,056,236	5,785,348
AQUINO	2,983,348	6,499,817
TOLENTINO	2,877,058	5,443,551
LAUREL	2,776,596	6,272,104
NATIONAL CAPITAL REGION		
MARCOS	706,730	1,306,464
AQUINO	677,943	1,522,583
TOLENTINO	715,885	1,318,741
LAUREL	725,446	1,281,232
REGION I		
MARCOS	648,494	532,756
AQUINO	270,978	277,814
TOLENTINO	609,261	497,675
LAUREL	234,347	242,496
REGION II		
MARCOS	323,596	162,918
AQUINO	128,354	96,803
TOLENTINO	313,201	151,862
LAUREL	126,489	99,340
REGION III		
MARCOS	208,170	640,698
AQUINO	238,340	756,368
TOLENTINO	201,414	628,056
LAUREL	217,346	660,094
REGION IV		
MARCOS	358,944	680,130
AQUINO	412,347	897,145
TOLENTINO	349,054	437,872
LAUREL	501,134	1,096,622
REGION V		
MARCOS	118,479	311,970
AQUINO	222,399	562,173
TOLENTINO	105,953	280,757
LAUREL	222,707	569,744
REGION VI		
MARCOS	114,885	464,108
AQUINO	101,910	456,184
TOLENTINO	102,026	433,520
LAUREL	104,992	438,496
REGION VII		
MARCOS	132,039	490,256
AQUINO	170,106	652,549
TOLENTINO	138,462	505,283
LAUREL	161,198	626,739
REGION VIII		
MARCOS	90,504	317,475
AQUINO	55,826	241,533
TOLENTINO	87,294	303,302
LAUREL	54,908	248,933
REGION IX		
MARCOS	69,400	191,747
AQUINO	84,959	204,396
TOLENTINO	74,382	189,276
LAUREL	78,750	200,285
REGION X		
MARCOS	154,158	275,786
AQUINO	144,688	297,277
TOLENTINO	149,116	275,699
LAUREL	145,973	293,135
REGION XI		
MARCOS	71,059	253,817
AQUINO	99,165	322,132
TOLENTINO	70,497	259,586
LAUREL	98,956	295,977
REGION XII		
MARCOS	67,778	157,231
AQUINO	96,333	212,860
TOLENTINO	69,313	161,922
LAUREL	90,38	199,011

2/11/86



	COMELEC As of 5 p.m.	NAMFREL As of 6 p.m.
TOTAL		
Marcos	5,899,873	6,281,310
Aquino	5,384,368	5,933,989
Tolentino	5,636,386	5,906,769
Laurel	5,252,390	5,718,989
NCR		
Marcos	1,031,165	1,306,484
Aquino	1,214,349	1,522,583
Tolentino	1,038,437	1,318,741
Laurel	1,029,289	1,281,232
REGION I		
Marcos	771,265	332,756
Aquino	284,731	277,814
Tolentino	725,152	497,675
Laurel	234,415	242,496
REGION II		
Marcos	422,299	[illegible]
Aquino	142,591	[illegible]
Tolentino	408,907	152,018
Laurel	152,390	99,998
REGION III		
Marcos	693,215	646,018
Aquino	689,675	759,940
Tolentino	675,275	632,805
Laurel	628,525	683,936
REGION IV		
Marcos	607,010	713,677
Aquino	722,151	941,834
Tolentino	412,229	463,435
Laurel	877,982	1,148,218
REGION V		
Marcos	222,830	344,662
Aquino	414,987	611,822
Tolentino	199,392	311,281
Laurel	421,324	620,091
REGION VI		
Marcos	353,555	520,888
Aquino	434,333	510,366
Tolentino	488,556	477,370
Laurel	449,344	497,435
REGION VII		
Marcos	381,409	531,951
Aquino	387,081	695,472
Tolentino	387,086	547,494
Laurel	375,109	668,195
REGION VIII		
Marcos	309,510	501,716
Aquino	183,737	357,226
Tolentino	300,255	482,042
Laurel	278,449	362,430
REGION IX		
Marcos	203,255	216,374
Aquino	162,818	232,466
Tolentino	206,636	213,622
Laurel	155,794	229,486
REGION X		
Marcos	318,329	289,201
Aquino	335,004	305,229
Tolentino	299,121	287,902
Laurel	331,520	301,156
REGION XI		
Marcos	192,838	353,413
Aquino	250,474	404,124
Tolentino	193,440	336,469
Laurel	236,149	380,691
REGION XII		
Marcos	193,163	181,288
Aquino	161,840	217,597
Tolentino	201,900	166,015
Laurel	161,142	202,605

2/12/86



COMELEC

As of 5 p.m. yesterday
Percentage of total: 61.07%

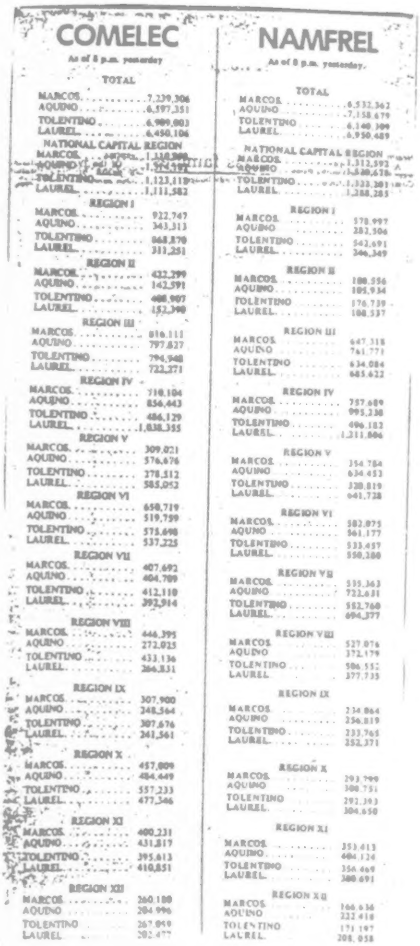
TOTAL	
MARCOS	6,743,894
AQUINO	6,147,902
TOLENTINO	6,426,569
LAUREL	6,007,426
NATIONAL CAPITAL REGION	
MARCOS	[illegible]
AQUINO	1,307,762
TOLENTINO	1,117,881
LAUREL	1,106,296
REGION I	
MARCOS	861,198
AQUINO	322,956
TOLENTINO	808,774
LAUREL	292,443
REGION II	
MARCOS	422,299
AQUINO	142,591
TOLENTINO	408,907
LAUREL	152,390
REGION III	
MARCOS	777,095
AQUINO	759,379
TOLENTINO	756,141
LAUREL	688,116
REGION IV	
MARCOS	678,307
AQUINO	816,994
TOLENTINO	455,342
LAUREL	995,619
REGION V	
MARCOS	270,811
AQUINO	500,508
TOLENTINO	243,402
LAUREL	509,746
REGION VI	
MARCOS	628,245
AQUINO	494,711
TOLENTINO	555,412
LAUREL	511,273
REGION VII	
MARCOS	395,784
AQUINO	396,151
TOLENTINO	401,318
LAUREL	385,079
REGION VIII	
MARCOS	378,627
AQUINO	233,330
TOLENTINO	366,863
LAUREL	228,387
REGION IX	
MARCOS	269,057
AQUINO	211,236
TOLENTINO	269,685
LAUREL	204,231
REGION X	
MARCOS	417,370
AQUINO	429,996
TOLENTINO	499,813
LAUREL	423,760
REGION XI	
MARCOS	292,254
AQUINO	335,288
TOLENTINO	289,055
LAUREL	315,178
REGION XII	
MARCOS	247,048
AQUINO	197,080
TOLENTINO	253,976
LAUREL	192,928

NAMFREL

As of 8 p.m. yesterday
Percentage of total: 66.02%

TOTAL	
MARCOS	6,532,362
AQUINO	7,158,679
TOLENTINO	6,140,309
LAUREL	6,950,489
NATIONAL CAPITAL REGION	
[illegible]	1,312,592
AQUINO	1,530,678
TOLENTINO	1,323,301
LAUREL	1,288,285
REGION I	
MARCOS	578,997
AQUINO	282,506
TOLENTINO	542,691
LAUREL	346,349
REGION II	
MARCOS	188,556
AQUINO	105,934
TOLENTINO	176,739
LAUREL	108,537
REGION III	
MARCOS	647,318
AQUINO	761,771
TOLENTINO	634,084
LAUREL	685,622
REGION IV	
MARCOS	757,689
AQUINO	995,238
TOLENTINO	496,182
LAUREL	1,211,806
REGION V	
MARCOS	354,784
AQUINO	634,453
TOLENTINO	320,819
LAUREL	641,728
REGION VI	
MARCOS	582,075
AQUNO	561,177
TOLENTINC	533,457
LAUREL	550,280
REGION VII	
MARCOS	535,363
AQUINO	722,631
TOLENTINO	552,760
LAUREL	694,377
REGION VIII	
MARCOS	527,076
AQUINO	372,179
TOLENTINO	506,552
LAUREL	377,735
REGION IX	
MARCOS	234,064
AQUINO	256,819
TOLENTINO	233,765
LAUREL	252,371
REGION X	
MARCOS	293,799
AQUINO	308,751
TOLENTINO	292,393
LAUREL	304,650
REGION XI	
MARCOS	353,413
AQUINO	404,124
TOLENTINO	356,469
LAUREL	388,691
REGION XII	
MARCOS	166,636
AQUINO	222,418
TOLENTIPO	171,197
LAUREL	208,058

2/13/86



COMELEC

As of 8 p.m. yesterday

TOTAL	
MARCOS	7,239,306
AQUINO	6,597,351
TOLENTINO	6,909,003
LAUREL	6,450,106
NATIONAL CAPITAL REGION	
MARCOS	1,110,900
AQUINO	[illegible]
TOLENTINO	1,123,119
LAUREL	1,111,582
REGION I	
MARCOS	922,747
AQUINO	343,313
TOLENTINO	868,870
LAUREL	311,251
REGION II	
MARCOS	422,299
AQUINO	142,591
TOLENTINO	408,907
LAUREL	152,390
REGION III	
MARCOS	816,111
AQUINO	797,827
TOLENTINO	794,948
LAUREL	722,271
REGION IV	
MARCOS	710,104
AQUINO	856,443
TOLENTINO	486,129
LAUREL	1,038,355
REGION V	
MARCOS	309,021
AQUINO	576,676
TOLENTINO	278,512
LAUREL	585,052
REGION VI	
MARCOS	650,719
AQUINO	519,799
TOLENTINO	575,698
LAUREL	537,225
REGION VII	
MARCOS	407,692
AQUINO	404,709
TOLENTINO	412,110
LAUREL	392,914
REGION VIII	
MARCOS	446,395
AQUINO	272,025
TOLENTINO	433,136
LAUREL	266,831
REGION IX	
MARCOS	307,900
AQUINO	248,564
TOLENTINO	307,676
LAUREL	241,561
REGION X	
MARCOS	457,009
AQUINO	484,449
TOLENTINO	557,233
LAUREL	477,346
REGION XI	
MARCOS	400,231
AQUINO	431,817
TOLENTINO	395,613
LAUREL	410,851
REGION XII	
MARCOS	260,180
AQUINO	204,996
TOLENTINO	267,059
LAUREL	202,477

NAMFREL

As of 8 p.m. yesterday.

TOTAL	
MARCOS	6,532,362
AQUINO	7,158,679
TOLENTINO	6,140,309
LAUREL	6,950,489
NATIONAL CAPITAL REGION	
MARCOS	1,312,593
AQUINO	1,530,678
TOLENTINO	1,323,301
LAUREL	1,288,285
REGION I	
MARCOS	578,997
AQUINO	282,506
TOLENTINO	542,691
LAUREL	346,349
REGION II	
MARCOS	188,556
AQUINO	105,934
TOLENTINO	176,739
LAUREL	108,537
REGION III	
MARCOS	647,318
AQUINO	761,771
TOLENTINO	634,084
LAUREL	685,622
REGION IV	
MARCOS	757,689
AQUINO	995,238
TOLENTINO	496,182
LAUREL	1,211,806
REGION V	
MARCOS	354,784
AQUINO	634,453
TOLENTINO	320,819
LAUREL	641,728
REGION VI	
MARCOS	582,075
AQUNO	561,177
TOLENTINO	533,457
LAUREL	550,280
REGION VII	
MARCOS	535,363
AQUINO	722,631
TOLENTINO	552,760
LAUREL	694,377
REGION VIII	
MARCOS	527,076
AQUINO	372,179
TOLENTINO	506,552
LAUREL	377,735
REGION IX	
MARCOS	234,064
AQUINO	256,819
TOLENTINO	233,765
LAUREL	252,371
REGION X	
MARCOS	293,799
AQUINO	308,751
TOLENTINO	292,393
LAUREL	304,650
REGION XI	
MARCOS	353,413
AQUINO	404,124
TOLENTINO	356,469
LAUREL	388,691
REGION XII	
MARCOS	166,636
AQUINO	222,418
TOLENTINO	171,197
LAUREL	208,058

2/14/86

PROVINCES/CITIES	OBSERVATIONS/COMMENTS						
	SEAL	SIGNATURE OF PARTY REP.	AUTHENTICITY	STATISTICAL PROBABILITY	PRECINCTS REPORTED	ERASURES/ ALTERATIONS	OTHERS
N C R							
MANILA *	No seal						
QUEZON CITY *						Erasures	
CALOOCAN CITY *	No signature of UNIDO Rep. on seal				Not specified		Place of origin not specified.
PASAY CITY *		No signature of UNIDO rep.					
PASIG/MARIKINA *				Questioned			
LAS PIÑAS/PARAÑAQUE *	No seal						
MAKATI *		No signature of UNIDO rep.					Certificate of Canvass not signed by UNIDO Rep. Place of origin not specifi
MALABON/NAVOTAS/ VALENZUELA *					Incomplete		Board to submit election returns of 38 precincts
SAN JUAN/MANDALUYONG *	No seal						
TAGUIG/PATEROS/MUNTINGLUPA *		No signature of KBL rep.					

OBSERVATIONS/COMMENTS

PROVINCES/CITIES	SEAL	SIGNATURE OF PARTY REP.	AUTHENTICITY	STATISTICAL PROBABILITY	PRECINCTS REPORTED	ERASURES/ ALTERATIONS	OTHERS
REGION I							
ABRA *	No seal		Questioned	Questioned			
BENGUET *	No seal						
BAGUIO CITY *	Not properly sealed		Erasures & alterations				
ILOCOS NORTE *		No signature of UNIDO rep.			No. of precincts exceeds COMELEC figure		
LAOAG CITY *	No seal			Questioned			
ILOCOS SUR *	Green masking tape				Not specified	Alterations	Place not specified. UNIDO copy does not contain names of 3 Board Members; original signatures of Members in UNIDO copy.
LA UNION *	No seal			Questioned		Alterations	
MT. PROVINCE *					Incomplete		Discrepancies in signature of the Members of Board of Canvassers with KBL copy.
PANGASINAN *	Not properly sealed						
DAGUPAN CITY *	No seal				Not specified		Place of origin not specified.
SAN CARLOS CITY		UNIDO Rep. not duly authorized					

OBSERVATIONS/COMMENTS

PROVINCES/CITIES	SEAL	SIGNATURE OF PARTY REP.	AUTHENTICITY	STATISTICAL PROBABILITY	PRECINCTS REPORTED	ERASURES/ ALTERATIONS	OTHERS
REGION II							
BATANES *					Not specified	Erasures	
CAGAYAN *			Questioned		Incomplete	Erasures	Secure COMELEC copy of Certificate of Canvass.
IFUGAO *	No seal				Not specified		
ISABELA *	No official seal	No signature of UNIDO rep.			Not specified		Place not specified
KALINGA-APAYAO *	No seal & not properly folded	No signature of UNIDO rep.			Not specified		
NUEVA VIZCAYA *	Not properly sealed						
QUIRINO *		No signature of UNIDO rep.				Erasures/alterations	COMELEC to submit copy of Certificate of Canvass.

	OBSERVATIONS/COMMENTS						
PROVINCES/CITIES	SEAL	SIGNATURE OF PARTY REP.	AUTHENTICITY	STATISTICAL PROBABILITY	PRECINCTS REPORTED	ERASURES/ ALTERATIONS	OTHERS
REGION III							
BATAAN *					Incomplete		COMELEC to submit copy of Certificate of Canvass.
BULACAN *							
NUEVA ECIJA *						Alterations	
CABANATUAN CITY *	No official seal & not properly folded					Erasures	
PALAYAN CITY *	Improvised seal used					Superimpositions	
SAN JOSE CITY *	Not properly sealed						
PAMPANGA *						Erasures	COMELEC to submit copy of Certificate of Canvass.
ANGELES CITY *	No seal					Erasures/ alterations	
TARLAC	No official seal	No signature & thumbmark of UNIDO Rep.			Incomplete returns		Subject of pre-proclamation protest with COMELEC.
ZAMBALES *					No election returns in 2 precincts		
OLONGAPO CITY *	No seal & not properly folded				Not specified	Superimpositions	

	OBSERVATIONS/COMMENTS						
PROVINCES/CITIES	SEAL	SIGNATURE OF PARTY REP.	AUTHENTICITY	STATISTICAL PROBABILITY	PRECINCTS REPORTED	ERASURES/ ALTERATIONS	OTHERS
REGION IV							
AURORA *	No seal				Incomplete	Erasures	
BATANGAS *	No seal					Erasures & alterations	
BATANGAS CITY *	No seal				Not specified		
LIPA CITY *	Improvised seal		Questioned		Incompete returns for some candidates		
CAVITE *						Superimpositions	UNIDO Rep. refused to sign & submitted appeal to Speaker for exclusion of certain precincts.
CAVITE CITY *	No seal & not properly folded					Superimpositions	Subject of an appeal to COMELEC.
TAGAYTAY CITY *	No seal					Alterations on supporting documents	
TRECE MARTIRES CITY *		UNIDO Rep. did not sign certificate					
LAGUNA *		No signature of UNIDO rep.			Incomplete		Board of Canvasser to submit missing returns.
SAN PABLO CITY *	No seal						
[illegible]							

OBSERVATIONS/COMMENTS

PROVINCES/CITIES	SEAL	SIGNATURE OF PARTY REP.	AUTHENTICITY	STATISTICAL PROBABILITY	PRECINCTS REPORTED	ERASURES/ALTERATIONS	OTHERS
REGION IV (CONT.)							
OCCIDENTAL MINDORO *	No seal					Superimpositions	
ORIENTAL MINDORO *	No seal & not properly folded						
PALAWAN *						Superimpositions	
PTO. PRINCESA CITY *	No seal						
QUEZON *						Superimpositions	
LUCENA CITY *	No seal					Superimpositions on entries for UNIDO candidates	
RIZAL *	Not properly sealed						Signatures of Members of Board of Canvassers appear not to be genuine.
ROMBLON *						Alterations	

OBSERVATIONS/COMMENTS

PROVINCES/CITIES	SEAL	SIGNATURE OF PARTY REP.	AUTHENTICITY	STATISTICAL PROBABILITY	PRECINCTS REPORTED	ERASURES/ ALTERATIONS	OTHERS
REGION V							
ALBAY *	No seal						
LEGASPI CITY *	No seal				Not specified		Place of origin not specified.
CAMARINES NORTE *					Incomplete	Alterations	COMELEC to submit copy of Certificate of Canvass.
CAMARINES SUR *						Superimpositions	Secure COMELEC copy of Certificate of Canvass.
IRIGA CITY *	No seal & not properly folded				Not specified		Place not specified.
NAGA CITY *					Not specified		Signatures of Board of Canvassers Members not genuine.
CATANDUANES							
MASBATE *	No seal						
SORSOGON *	Not sealed						

OBSERVATIONS/COMMENTS

PROVINCES/CITIES	SEAL	SIGNATURE OF PARTY REP.	AUTHENTICITY	STATISTICAL PROBABILITY	PRECINCTS REPORTED	ERASURES/ ALTERATIONS	OTHERS
REGION VI							
AKLAN *					Not specified	Erasures	
ANTIQUE *							Signatures not genuine.
CAPIZ *	No seal				Not complete		Manifested general objections.
ROXAS CITY *	Not sealed					Corrections on entries for Laurel	
ILOILO *	No seal					Superimpositions	
ILOILO CITY *					Not specified	Insertions	Place not specified.
NEGROS DEL NORTE *		UNIDO Rep. not duly authorized					
CADIZ CITY *	No seal	UNIDO Rep. not duly authorized			Not specified		Place not specified
SAN CARLOS CITY *	No seal				Not specified		Place of origin not specified.
SILAY CITY *	No seal	UNIDO Rep. not authorized					
NEGROS OCCIDENTAL *	No seal				Incomplete		Board of Canvassers to submit missing [illegible]
			"[illegible] members of Board of Canvassers."				

OBSERVATIONS/COMMENTS

PROVINCES/CITIES	SEAL	SIGNATURE OF PARTY REP.	AUTHENTICITY	STATISTICAL PROBABILITY	PRECINCTS REJECTED	ERASURES/ ALTERATIONS	OTHERS
REGION VI (CONT.)							
BAGO CITY *	No seal			-	[illegible] returns show [illegible] dates		
LA CARLOTA CITY *				-	Incomplete returns	tampering	

Republic of the Philippines
BATASANG PAMBANSA
Quezon City, Metro Manila

ANNEX
XXXVIII.1
Page 255

REPORT OF THE SPEAKER TO THE BATASANG PAMBANSA ON THE RECEIPT AND OPENING OF CERTIFICATES OF CANVASS, AND THE COUNTING OF VOTES APPEARING THEREON IN CONNECTION WITH THE PRESIDENTIAL AND VICE-PRESIDENTIAL ELECTION ON FEBRUARY 7, 1986

Pursuant to the provisions of Section 5, Article VII of the Constitution, the pertinent portion of which is hereby quoted, to wit:

> "The returns of every election for President, duly certified by the board of canvassers of each province or city, shall be transmitted to the Speaker at the Batasang Pambansa, who shall, not later than thirty days after the day of the election, and in the presence of the Batasang Pambansa open all the certificates, and the votes shall then be counted.
>
> "The person having the highest number of votes shall be proclaimed elected; but in case two or more shall have an equal and the highest number of votes, one of them shall forthwith be chosen by a vote of a majority of all the Members of the Batasang Pambansa in session assembled,"

the Speaker has the honor to submit the following report:

1. A total of one hundred forty (140) certificates of canvass, duly certified by the Board of Canvassers of each province, city, and district, were received by the Office of the Speaker from February 7 to February 15, 1986.

Copies of the pertinent reports of the Secretary-General of the Batasang Pambansa, who has been tasked to receive, for and in behalf of the Speaker, the said certificates of canvass, are hereto attached as Annex A".

2. On February 10, 1986, the Batasan resumed its session. A Board of Tellers was formed to assist the Speaker in the opening of the certificates of canvass, as well as the counting of votes cast for President and Vice-President

PROVINCES/CITIES	OBSERVATIONS/COMMENTS						
	SEAL	SIGNATURE OF PARTY REP.	AUTHENTICITY	STATISTICAL PROBABILITY	PRECINCTS REPORTED	ERASURES/ ALTERATIONS	OTHERS
REGION VII							
BOHOL*					Incomplete		Board to submit electi returns of other precin
TAGBILARAN CITY*	No seal & not properly folded				Not specified		Place of origin not specified
CEBU*	Not properly sealed & folded				Returns in 8 precincts missing		Board to submit missing returns
CEBU CITY*					Not specified		
DANAO CITY	Improvised seal	UNIDO rep. did not participate					Place of origin not specified. Votes tallied exceed population.
LAPU-LAPU CITY*	No seal				Only 123 precincts reported		
MANDAUE CITY*	No seal						Signature of Members of Board appears not genuine
TOLEDO CITY*	No seal						
NEGROS ORIENTAL*					Incomplete		Board to submit missing returns
BAIS CITY*	No seal						
CANLAON CITY*					[illegible]		Place of origin not specified
DUMAGUETE CITY*	Improvised seal						
SIQUIJOR*	No seal				Not specified		

PROVINCES/CITIES	OBSERVATIONS/COMMENTS						
	SEAL	SIGNATURE OF PARTY REP.	AUTHENTICITY	STATISTICAL PROBABILITY	PRECINCTS REPORTED	ERASURES/ALTERATIONS	OTHERS
REGION VIII							
EASTERN SAMAR*	Improvised seal						Improvised Certifica of Canvass
LEYTE*					Incomplete		Board to submit retu from missing precint
ORMOC CITY*	No seal				Not specified		Not properly prepared
TACLOBAN CITY*	Not properly sealed					Erasures & alterations	
NORTHERN SAMAR*					Returns in 29 precints not included		Board to submit miss returns
SAMAR*	No seal				Incomplete	Erasures	Board to submit miss returns
CALBAYOG CITY*	No seal	No signature of UNIDO Rep.					Place of origin not specified
SOUTHERN LEYTE*		No signature of UNIDO Rep.			Not specified		

OBSERVATIONS/COMMENTS

PROVINCES/CITIES	SEAL	SIGNATURE OF PARTY REP.	AUTHENTICITY	STATISTICAL PROBABILITY	PRECINCTS REPORTED	ERASURES/ ALTERATIONS	OTHERS
ION [illegible]							
BASILAN*	No seal	No signature of UNIDO Rep.			Incomplete		Board to submit mi. returns
SULU*	No seal & not properly folded			Questioned	Incomplete		UNIDO Rep. signed ce ficate under protest
TAWI-TAWI*		No signature of UNIDO rep					
ZAMBOANGA DEL NORTE*						Superimpositions	Doubt on genuiness of signatures of Members of Board of Canvassers
DAPITAN CITY*		No signature of UNIDO rep			Not specified	Erasures	
DIPOLOG CITY*							
ZAMBOANGA SUR*	No signature on seal		Questioned				
PAGADIAN CITY*						Alterations in votes for Aquino	COMELEC to submit copy of Certificate of Canv
ZAMBOANGA CITY*						Superimpositions	

PROVINCES/CITIES	OBSERVATIONS/COMMENTS						
	SEAL	SIGNATURE OF PARTY REP.	AUTHENTICITY	STATISTICAL PROBABILITY	PRECINCTS REPORTED	ERASURES/ALTERATIONS	OTHERS
EGION X							
AGUSAN DEL NORTE*					Incomplete		Board to submit mis returns
BUTUAN CITY*	No seal						
AGUSAN DEL SUR*				Questioned			
BUKIDNON*					Incomplete		Board to submit missi returns
CAMIGUIN*					Not specified		
MISAMIS OCC.*	No seal	UNIDO Rep. not duly authorized					
OROQUIETA CITY*	No seal						
OZAMIZ CITY*	No seal						
TANGUB CITY*	Improvised seal						
MISAMIS ORIENTAL*	No seal						
CAGAYAN DE ORO C.*	Improvised seal				Incomplete/ returns		
GINGOOG CITY*	No seal		Questioned				
SURIGAO NORTE*							Illegality of canva proceedings, protest with COMELEC
SURIGAO CITY*	No seal & not properly folded						

OBSERVATIONS/COMMENTS

PROVINCES/CITIES	SEAL	SIGNATURE OF PARTY REP.	AUTHENTICITY	STATISTICAL PROBABILITY	PRECINCTS REPORTED	ERASURES/ ALTERATIONS	OTHERS
GION XI							
DAVAO DEL NORTE*	No seal						
DAVAO ORIENTAL*			KBL representative signature			Alterations	COMELECT to submit co of Certificate of Ca
DAVAO DEL SUR*	Not properly sealed				Incomplete		Board to submit missin returns
DAVAO CITY*						Erasures in votes of KBL candidates	COMELEC to submit cop of Certificate of Can
SOUTH COTABATO*							Reservation on genuin of signature of Board Members
GEN. SANTOS CITY*	Not properly sealed					Erasures	
SURIGAO DEL SUR*							Discrepancies in signa ture of the Members o Board of Canvassers wi KBL copy

OBSERVATIONS/COMMENTS

PROVINCES/CITIES	SEAL	SIGNATURE OF PARTY REP.	AUTHENTICITY	STATISTICAL PROBABILITY	PRECINCTS REPORTED	ERASURES/ ALTERATIONS	OTHERS
ION XII							
LANAO DEL NORTE*					Not specified		Dissenting opinion of UNIDO Rep. attached
ILIGAN CITY*	No seal & not properly folded						
LANAO DEL SUR*		No signature of UNIDO rep.				Alterations	
MARAWI CITY*	Not properly folded					Erasures	Place not specified
MAGUINDANAO*		No signature of UNIDO rep.			Incomplete		Board to submit missing returns
COTABATO CITY*						Erasures in names of KBL rep.	
NORTH COTABATO*	No seal & not properly folded						No signature of Board of Canvasser Chairman
SULTAN KUDARAT*							UNIDO Rep. signed certificate under protes

appearing thereon. The Board of Tellers had four Members from the Majority Party and four Members from the Opposition.

The envelopes containing the certificates of canvass were opened in the presence of the Batasang Pambansa.

In the course of the opening of the envelopes containing the certificates of canvass and the counting of votes appearing on said certificates of canvass, various observations were made by the Members of the Board of Tellers as well as by some Members of the Batasang Pambansa. A tabulation of these observations is hereto attached as Annex "B".

It is worthwhile mentioning that all of the above proceedings were witnessed by the general public and, upon our invitation, by the representatives and legal counsel of the presidential and vice-presidential candidates and the representatives and legal counsels of the KBL, the UNIDO, and the Liberal Party.

The Batasang Pambansa also invited representatives of certain groups and organizations, particularly, the NAMFREL, the Integrated Bar of the Philippines, the Rotary Club of the Philippines, the Philippine Jaycees, and the MOVER,to observe the proceedings.

After considering the observations made by the Members of the Board of Tellers and other Members of the Batasang Pambansa, the results of the counting of votes are as follows:

For President:

FERDINAND E. MARCOS	10,807,197
CORAZON C. AQUINO	9,291,716
REUBEN R. CANOY	34,041
NARCISO S. PADILLA	23,652

For Vice-President:

ARTURO M. TOLENTINO . . .	10,134,130
SALVADOR H. LAUREL . . .	9,173,105
EVA ESTRADA KALAW	662,185
ROGER ARIENDA	35,974.

The tabulation containing the results of the votes counted by province, city, and district in Metro Manila is hereby attached as Annex "C".

On the basis of the aforementioned results of the votes counted, the Speaker finds that His Excellency, President Ferdinand E. Marcos garnered the highest number of votes for the position of President of the Philippines, and Honorable Arturo M. Tolentino, MP, garnered the highest number of votes for the position of Vice-President of the Philippines.

Therefore, the Speaker recommends that the Batasang Pambansa proclaim FERDINAND E. MARCOS as the duly elected President of the Philippines and ARTURO M. TOLENTINO as the duly elected Vice-President of the Philippines.

NICANOR E. YÑIGUEZ
Speaker

BOARD OF TELLERS

Regular Member

Regular Member

Regular Member

Regular Member

Regular Member

Regular Member

Regular Member	Regular Member
RICARDO C. [illegible] Alternate Member	Alternate Member
R. L. Cayetano 2/1/71 Alternate Member	Alternate Member
ALBERTO S. VELASCO Alternate Member	Alternate Member
Alternate Member	Alternate Member

TO : THE SPEAKER

FROM : THE SECRETARY- GENERAL

RE : NUMBER OF CERTIFICATES OF CANVASS RECEIVED

PURSUANT TO Memorandum Order No. 05-86 (Speaker) dated February 3, 1986, herewith is a report on the number of certificates of canvess received from the various Provincial/City/District Board of Canvassers and the date and time of their receipt by the Office of the Speaker as of 5:00 P.M. today.

Name of Province/City/ District	Date and Time of Receipt	
Cavite City	Feb. 8	- 2:05 a.m.
Tagaytay City	8	- 10:37 a.m.
Olongapo City	8	- 12:16 p.m.
Lucena City	8	- 12:30 p.m.
Lipa City	8	- 2:20 p.m.
San Jose City, Nueva Ecija	8	- 2:50 p.m.
Trece Martirez City	8	- 5:56 p.m.
Angeles City	8	- 8:20 p.m.
RIZAL	8	- 8:42 p.m.
San Pablo City	8	- 9:10 p.m.
N C R . (Las Piñas, Parañaque)	8	- 9:50 p.m.
Region IV (Batangas)	8	- 10:11 p.m.
Pampanga	9	- 12:11 a.m.
CAVITE PROVINCE	9	- 2:50 p.m.
Muntinlupa, Taguig, Pateros	9	- 3:39 p.m.
Cotabato City	9	- 4:00 p.m.
Dapitan City	9	- 5:17 p.m.
General Santos City	9	- 5:41 p.m.
Occidental Mindoro	9	- 6:03 p.m.
Quezon City		- 6:21 p.m.
Camiguin Province	9	- 7:10 p.m.
Marinduque	9	- 7:10 p.m.
Bataan	9	- 7:29 p.m.
Pasigm Marikina	9	- 8:05 p.m.
Malabon, Navotas, Valenzuela	10	- 12:31 a.m.
BULACAN	10	- 1:00 a.m.
Batangas City	10	- 9:55 a.m.
Naga City	10	- 10:10 a.m.
Catanduanes	10	- 10:25 a.m.
San Carlos City, Pangasinan	10	- 10:45 a.m.
Laoag City	10	- 11:05 a.m.
ILOCOS NORTE	10	- 11:08 a.m.
Ozamiz City	10	- 11:40 a.m.
Gingoog City	10	- 11:58 a.m.
LA UNION	10	- 12:11 p.m.
BASILAN	10	- 12:50 p.m.

Cabanatuan City	Feb. 10	- 2:30 p.m.
Palayan City	10	- 2:35 p.m.
NUEVA ECIJA	10	- 2:35 p.m.
Aurora	10	- 3:42 p.m.
Mandaue City		- 4:00 p.m.
Lapu-Lapu City		- 4:05 p.m.
Toldeo city		- 4:04 p.m.
Siquijor		- 4:20 p.m.
Ormoc City		- 4:31 p.m.
Southern Leyte		- 4:37 p.m.
North Cotabato		- 4:50 p.m.
48. Danao City		- 4:55 p.m.

For the Speaker's information.

February 10, 1986.

ANTONIO M. DE GUZMAN

REGION/PROV./ CITY	FM	CA	Difference
N C R	1,394,815	1,614,662	(219,847)
I	1,239,825	431,877	807,948
II	856,026	139,666	716,360
III	1,011,860	1,008,157	3,703
IV	1,190,804	1,425,143	(234,339)
V	433,809	761,538	(327,729)
VI	902,682	777,312	125,370
VII	773,604	827,912	(54,308)
VIII	627,868	411,284	216,584
IX	540,570	365,195	175,375
X	563,547	519,841	43,706
XI	609540	662,799	(53,259)
XII	662,247	346,330	315,917
Totals:	10,807,197	9,291,716	1,515,481

ANNEX
XXXVIII.4
Page 262

REGION PROVINCE/CITY	REG. NO. OF VOTERS	NO. OF PRECINCTS	NO. OF PRECINCTS CANVASSED	PRESIDENT MARCOS (KBL)	PRESIDENT AQUINO (UNIDO)	PRESIDENT CANOY (SDP)	PRESIDENT PADILLA (MOTOR)	VICE PRESIDENT TOLENTINO (KBL)	VICE PRESIDENT LAUREL (UNIDO)	VICE PRESIDENT KALAW (LP)	VICE PRESIDENT STUART (UNIDO)	VICE PRESIDENT ARIENDA (MOTOR)
N C R	[illegible] 278,410	12,330		1,394,815	1,614,668	794	10,657	1,411,868	1,366,168	219,763		16,009
I	1,949,239	6,480		1239875	433877	292	3399	1173312	394255	96257	-	3410
II	1,189,565	4,007		856026	139666	111	381	825886	150538	8111	-	620
III	2,550,935	7,901		1,011,860	1,008,153	845	2,262	984,045	920,098	104,957		4,81[illegible]
IV	3,364,298	10,668		1190804	1425148	136	3831	853600	1691011	58524		5974
V	1,511,203	5,634		433809	761538	258	376	388961	774336	25654		645
VI	2,159,736	7,886		902,682	777,318	386	244	814,910	788,183	56,910		387
VII	1,988,641	6,562		773604	827912	4012	394	790432	799555	7571		417
VIII	1,325,813	5,546		627868	433286	475	213	606648	403660	22931		110
IX	1,279,148	4,410		340,370	368,185	1668	505	531,457	359,504	5,493		568
X	1,455,801	4,632		563547	519843	8244	223	552528	519502	7451		300
XI	1,753,779	5,178		609540	662799	13413	773	599462	635701	37640		1835
XII	1,373,261	4,809		662247	346330	1801	358	601020	375595	12224		944
T O T A L	26,181,829	86,043		10,307,197	9,291,716	34,041	25,668	10,134,180	9,173,105	668,188		35,974

REGION NCR PROVINCE/CITY	REG NO OF VOTERS	NO OF PRECINCTS	NO. OF PRECINCTS CANVASSED	PRESIDENT MARCOS (KBL)	PRESIDENT AQUINO (UNIDO)	PRESIDENT CANOY (SDP)	PRESIDENT PADILLA (MOTOR)	VICE PRESIDENT TOLENTINO (KBL)	VICE PRESIDENT LAUREL (UNIDO)	VICE PRESIDENT KALAW (LP)	VICE PRESIDENT STUART (UNIDO)	VICE PRESIDENT ARI[illegible] (MOT[illegible])
MANILA	1,039,466	3,549	3546	388266	406747	217	2582	595088	322773	65249		3904
QUEZON CITY	856,358	2,283	2283	272968	342563	197	2758	290701	282093	40934	57	428[illegible]
CALOOCAN CITY	326,806	923		116,119	113,381	43	707	115,331	98,300	10,887		1,494
PASAY CITY	200,623	615	[illegible]	77489	73939	42	462	73926	69958	8106	14	581
Pasig	187297	529		95206	149430	44	889	101000	122871	19945		134[illegible]
Marikina	144,388	873										
Las Piñas	118,846	304	755	80442	120612	63	581	82298	109043	9592	7	810
Paranaque	165,[illegible]	[illegible]										
Makati	350,289	853	923	110,874	91,461	68	607	102,976	86,667	11,420		919
Malabon	136,183	408	1052	110824	140244	44	686	113273	120308	13456	16	1217
Navotas	101,689	279										
Valenzuela	292,[illegible]	615										
San Juan	96,049	260	656	72118	89146	44	1001	58978	72956	28971	23	927
Mandaluyong	198,559	419										
Taguig	102,967	263	615	81129	86768	28	367	68405	82191	6512	6	591
Pateros	21,487	77										
Muntinlupa	222,5[illegible]	7[illegible]										
				1,394,815 ~~1168423~~	1,614,668 ~~1400089~~	794 ~~683~~	10,687 ~~9224~~	1,411,863 ~~1223800~~	1,366,163 ~~1181205~~	219,763 ~~198788~~	128	16,0[illegible] ~~13[illegible]~~

REGION I PROVINCE/CITY	REG. NO. OF VOTERS	NO. OF PRECINCTS	NO. OF PRECINCTS CANVASSED	PRESIDENT				VICE PRESIDENT				
				MARCOS (KBL)	AQUINO (UNIDO)	CANOY (SDP)	PADILLA (MOTOR)	TOLENTINO (KBL)	LAUREL (UNIDO)	KALAW (LP)	STUART (UNIDO)	ARI (MO
ABRA	87,366	340	340	77386	3794	4	37	75233	[illegible]	150		33
BENGUET	115,154	370	370	43756	53826	33	3643	42638	47939	3634		1379
BAGUIO CITY	86,158	243		41640	24803	53	740	40937	22253	1137		753
ILOCOS NORTE	197,383	834	761	189897	718	2	6	187440	2430	302		9
LAOAG CITY	45,775	136	136	43389	883	2	4	42460	1342	208		33
ILOCOS SUR	247,587	960		191633	28063	7	37	184184	32937	785		45
LA UNION	264,103	791		204844	27480	26	349	197273	31834	2479		205
MT. PROVINCE	46,265	371	119	9823	10664	29	358	9407	10340	410		260
PANGASINAN	757,935	2,455	2455	398138	240565	76	400	357257	208983	68443		593
DAGUPAN CITY	53,892	230		43033	[illegible]	10	44	19203	16510	10417		88
SAN CARLOS C.	46,941	151	151	19537	18283	9	10	16282	15136	7223		0
TOTAL	1,949,739	6,140		1239825	431877	282	3399	1173312	394255	96257		343

REGION II PROVINCE/CITY	REG. NO. OF VOTERS	NO. OF PRECINCTS	NO. OF PRECINCTS CANVASSED	PRESIDENT				VICE PRESIDENT				
				MARCOS (KBL)	AQUINO (UNIDO)	CANOY (SDP)	PADILLA (MOTOR)	TOLENTINO (KBL)	LAUREL (UNIDO)	KALAW (LP)	STUART (UNIDO)	ARIEN (MOT
BATANES	7,033	34		2808	2944	2	7	2817	2944	16		10
CAGAYAN	366,976	1,240	1288	275825	42204	18	37	273387	43843	1305		77
IFUGAO	51,326	192		4343	6600	3	80	4334	6201	509		93
ISABELA	459,837	1,531		402860	20872	13	19	394085	23036	1008		151
KALINGA-APAYAO	59,205	348		77429	10624	48	92	72797	10625	2944		26
NUEVA VIZCAYA	133,279	520	490	55847	69734	23	138	51352	52080	1161		[illegible]
QUIRINO	42,341	152	150	36435	6239	3	8	29114	11368	88		13
TOTAL	1,303,166	6,007		896020	137666	111	389	825006	156130	6111		622

				PRESIDENT				VICE PRE				
REGION III PROVINCE/CITY	REG. NO. OF VOTERS	NO. OF PRECINCTS	NO. OF PRECINCTS CANVASSED	MARCOS (KBL)	AQUINO (UNIDO)	CANOY (SDP)	PADILLA (MOTOR)	TOLENTINO (KBL)	LAUREL (UNIDO)	KALAW (LP)	[illegible] STUART (UNIDO)	AR (M
BATAAN	185,380	566	551	70744	66213	24	168	69268	62553	3574		34
BULACAN	630,024	1,623	1823	219412	275730	137	819	217443	238810	35554		188
NUEVA ECIJA	430,876	1,447	1434	222095	131816	18	116	210432	134169	7297		332
CABANATUAN C.	76,486	231	231	39202	24635	5	11	16915	24071	1582	62	62
PALAYAN CITY	9,854	36	36	7718	1128	0	1	6960	1740	[illegible]		0
SAN JOSE CITY	37,385	114	114	21012	11966	2	10	19254	10592	[illegible]		27
PAMPANGA	460,807	1,421	1374	114733	243672	29	456	115287	209700	31419		975
ANGELES CITY	90,044	343		19898	49921	9	100	20997	38766	8802		434
TARLAC	353,414	1,067	1,033	166,400	119,824	5	114	161,970	113,986	3,709		346
ZAMBALES	159,821	519		82782	50151	11	174	79252	52395	1777		277
OLONGAPO C.	108,844	335		48339	33730	13	97	47287	33293	1140		125
T O T A L	2,950,935	7,901		1,011,260 ~~844060~~	1,005,159 [illegible]	115 ~~226~~	1,267 [illegible]	914,645 [illegible]	940,095 806409	100,937 57248		4,811 4412

				PRESIDENT				VICE PRESIDENT				
REGION IV PROVINCE/CITY	REG. NO. OF VOTERS	NO. OF PRECINCTS	NO. OF PRECINCTS CANVASSED	MARCOS (KBL)	AQUINO (UNIDO)	CANOY (SDP)	PADILLA (MOTOR)	TOLENTINO (KBL)	LAUREL (UNIDO)	KALAW (LP)	OSMENA STUART (UNIDO)	ARIEN (MOTO
AURORA	49,894	200		19,891	19,077	15	16	18,739	19,565	509		29
BATANGAS	482,645	1,443		155,474	236,616	26	309	31,711	359,547	2,143		542
BATANGAS CITY	77,976	229		23,020	41,226	7	96	5,841	58,023	441		96
LIPA CITY	64,424	206		20,525	32,742	9	43	7,620	41,589	4,153		60
CAVITE	435,456	1,215	1,210	198,574	139,574	47	769	178,925	147,037	9,861		1,456
CAVITE CITY	56,598	170	170	30,721	15,137	5	152	2[illegible],451	15,477	1,244		279
TAGAYTAY CITY	11,016	33	33	5,060	3,132	1	10	3,472	4,630	80		12
TRECE MARTIRES CITY	8,749	27	19	7,415	162			6,159	1,202			1
LAGUNA	511,084	1,571	1,562	180,409	220,924	83	904	127,327	257,366	14,745		1,595
SN. PABLO C.	77,788	276		27,182	52,902	12	186	15,706	82,492	1,680		208
MARINDUQUE	89,289	287	287	34,464	80,181	2	25	26,997	46,625	585		58
OCC. MINDORO	110,382	337	337	42,912	36,190	2	30	38,316	39,730	723		69
OR. MINDORO	201,895	657	657	71,060	87,142	7	29	46,220	110,278	1,889		111
PALAWAN	157,136	519		30,970	44,742	15	22	36,056	47,742	223		48
PRTO. PRINCESA CITY	41,299	105		15,343	15,380	1	11	15,776	15,554	250		31
QUEZON	464,671	1,823		136,312	225,672	40	378	88,349	266,549	3,880		14[illegible]
LUCENA CITY	61,991	309		20,102	29,039	15	213	14,517	35,924	933		2
RIZAL	376,786	1,085	1,[illegible]	137,315	160,667	36	651	135,976	157,269	14,804		[illegible]
ROMBLON	85,222	304		30,619	30,596	3	8	22,372	41,931	295		[illegible]
T O T A L	3,364,298	10,668		[illegible]	[illegible],425,143	336	3,831	853,60[illegible]	1,66[illegible]	58,524		5,07[illegible]

REGION V PROVINCE CITY	REG. NO. OF VOTERS	NO. OF PRECINCTS	NO. OF PRECINCTS CANVASSED	PRESIDENT MARCOS (KBL)	AQUINO (UNIDO)	CANOY (SDP)	PADILLA (MOTOR)	VICE PRESIDENT TOLENTINO (KBL)	LAUREL (UNIDO)	KALAW (LP)	OSMEÑA STUART (UNIDO)
ALBAY	290,932	1,095		75354	159210	28	92	67733	153510	12291	
LEGASPI CITY	50,681	172		16547	26900	4	29	15396	26453	1350	
CAMARINES NOR	142,515	489	484	35698	73965	14	111	33679	75093	595	
CAMARINES SUR	[illegible]	[illegible]	1521	110078	221907			91832	239989	1415	
[illegible] CITY	32,772	[illegible]		9250	[illegible]	0	8	8637	18762	116	
NAGA CITY	50,986	201		10874	30080	7	18	8858	[illegible]	[illegible]	
[illegible]	72,110	262	162	33984	32342	5	6	33510	32090	875	
[illegible]	238,272	[illegible]		72154	[illegible]	167	18	66937	103555	[illegible]	
[illegible]	[illegible]	931	927	59970	92749	33	97	63305	95577	7131	
TOTAL	[illegible]	[illegible]		433609	761538	253	376	398961	774136	25554	

REGION VI PROVINCE/CITY	REG. NO. OF VOTERS	NO. OF PRECINCTS	NO. OF PRECINCTS CANVASSED	PRESIDENT MARCOS (KBL)	AQUINO (UNIDO)	CANOY (SDP)	PADILLA (MOTOR)	VICE PRESIDENT TOLENTINO (KBL)	LAUREL (UNIDO)	KALAW (LP)	OSMEÑA STUART (UNIDO)	ARIEN. MOTO
AKLAN	153,815	511		53078	[illegible]	30	24	60348	64769	2337		27
ANTIQUE	159,904	774		65225	[illegible]	23	15	52982	82352	987		25
CAPIZ	180,932	698	692	78130	64379	19	8	73891	65304	1600		21
ROXAS CITY	44,570	154		19016	17709	2	18	18134	17228	1138		29
ILOILO	581,797	2,337	[illegible]	[illegible]	[illegible]	108	49	[illegible]	[illegible]	[illegible]		[illegible]
ILOILO CITY	147,532	316		55282	63708	7	12	51619	59356	7850		31
NEGROS O. NORTE	174,034	585	586	65721	49703	14	9	71106	50289	3610		5
CADIZ CITY	50,115	135		36253	2690			29002	4820	39		
SN. CARLOS C.	37,944	134		14558	14069	95	4	14690	13637	109		1
SILAY CITY	41,259	135	135	19448	13989	2	0	19311	13413	516		3
NEGROS OCC.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	90	53	145039	103145	5533		55
BACOLOD CITY	151,525	513	513	52951	55321	13	52	52522	55408	10077		100
BAGO CITY	42,993	131	131	22409	13195	0	6	21634	12798	759		
LA CARLOTA C.	21,760	81	57	9504	4462	3	2	9043	4643	168		2
TOTAL	2,159,776	7,886		961,682 ~~[illegible]~~	777,312 ~~[illegible]~~	486 ~~[illegible]~~	[illegible] ~~[illegible]~~	[illegible] ~~[illegible]~~	783,183 ~~[illegible]~~	35,930 ~~[illegible]~~		391 ~~[illegible]~~

REGION VII PROVINCE/CITY	REG. NO. OF VOTERS	NO. OF PRECINCTS	NO. OF PRECINCTS CANVASSED	PRESIDENT				VICE PRESIDENT				
				MARCOS (KBL)	AQUINO (UNIDO)	CANOY (SDP)	PADILLA (MOTOR)	TOLENTINO (KBL)	LAUREL (UNIDO)	KALAW (LP)	[illegible] (UNIDO)	ARIENDA (MOTOR)
BOHOL	378,992	1,369	1,365	170,635	154,338	815	108	173,802	151,177	1,514	16	112
TAGBILARAN C	26,361	79		8,767	13,043	66	71	10,782	10,957	150	0	17
CEBU	619,164	2,046	2,038	264,211	249,998	1,224	58	261,461	248,215	1,532	0	43
CEBU CITY	305,087	982		60,748	167,280	745	114	71,266	154,221	2,493	11	128
DANAO CITY	58,696	147		57,225	342	3	1	57,167	372	6	0	1
LAPU-LAPU C.	52,151	134	134	22,374	21,419	56	6	22,596	20,887	122	0	4
MANDAUE CITY	72,235	202	202	14,352	42,974	158	15	15,905	40,989	380	0	73
TOLEDO CITY	45,298	130	130	14,052	20,671	79	1	14,970	20,051	97	0	2
NEGROS ORIENTAL	314,806	1,052	1,034	113,402	110,187	656	30	113,500	107,334	987	0	41
BAIS CITY	24,879	80		9,080	9,257	38	7	9,200	9,035	18	0	4
CANLAON C.	14,647	43		7,528	3,149	98	0	7,410	3,136	31	0	0
DUMAGUETE C	37,887	150	150	9,963	21,808	55	55	11,708	19,818	214	0	40
SIQUIJOR	37,428	149		20,667	13,449	21	0	20,659	13,375	27	0	2
T O T A L	[illegible]	[illegible]		773,404	827,912	4,012	394	790,432	799,565	7,571	27	41[illegible]

REGION VIII PROVINCE/CITY	REG. NO. OF VOTERS	NO. OF PRECINCTS	NO. OF PRECINCTS CANVASSED	PRESIDENT				VICE PRESIDENT				
				MARCOS (KBL)	AQUINO (UNIDO)	CANOY (SDP)	PADILLA (MOTOR)	TOLENTINO (KBL)	LAUREL (UNIDO)	KALAW (LP)	STUART (UNIDO)	ARIENDA (MOTOR)
EASTERN SAMAR	134,528	651	596	43,630	53,794	4	3	41,577	52,482	2,627		1
LEYTE	535,694	2,032		300,573	143,261	245	34	296,341	142,647	2,089		[illegible]
ORMOC CITY	54,628	201	301	20,825	22,619	97	11	20,616	22,277	218		16
TACLOBAN C.	62,814	211	211	32,809	18,399	10	16	32,481	17,371	1,154		24
NORTHERN SAMAR	165,909	679	650	62,892	50,964	4	15	55,675	52,448	4,675		15
SAMAR	172,434	863	827	68,281	49,069	0	0	63,110	43,484	10,051		0
CALBAYOG C.	48,697	206		24,584	15,950	2	0	24,228	15,255	907		4
SOUTHERN LEYTE	160,910	718		73,934	57,258	113	134	72,620	57,696	210		4
T O T A L	1,335,813	5,346		627,808	431,284	475	213	606,848	403,660	21,931		110

REGION IX PROVINCE/CITY	REG. NO. OF VOTERS	NO. OF PRECINCTS	NO. OF PRECINCTS CANVASSED	PRESIDENT MARCOS (KBL)	AQUINO (UNIDO)	CANOY (SDP)	PADILLA (MOTOR)	VICE PRESIDENT TOLENTINO (KBL)	LAUREL (UNIDO)	KALAW (LP)	[illegible]	ARIENDA (MOTOR)
	adds a [illegible]	49	15	6,179	996	0	0	4,126	784	13		[illegible]
BASILAN	92,432	345	349	22,587	30,005	11	16	22,350	29,292	485	5	[illegible]
SULU	223,292	661	634	128,954	34,337	22	20	125,083	36,651	179	0	1[illegible]
TAWI-TAWI	79,721	287	287	65,096	11,339	9	5	59,875	12,175	552	2	4
ZAMBOANGA DEL NORTE	218,102	805	757	94,509	53,221	953	29	81,862	54,177	391	0	15
DAPITAN CITY	27,409	130		12,485	9,559	210	5	12,566	9,262	60	0	3
DIPOLOG CITY	34,417	132	131	11,894	15,658	157	7	12,623	14,651	205	0	12
ZAMBOANGA DEL SUR	375,741	1,336	1,336	138,116	123,075	2,041	116	133,126	125,044	1,166	70	77
PAGADIAN C.	43,554	157	157	14,009	17,219	259	2	14,258	16,636	205	0	12
ZAMBOANGA C.	193,440	587	587	48,943	70,136	24	305	55,638	60,830	1,935	9	371
TOTAL	[illegible]	4,410		540,570 ~~[illegible]~~	365,199 ~~[illegible]~~	3,686 ~~[illegible]~~	509 ~~[illegible]~~	531,487 ~~[illegible]~~	359,602 ~~[illegible]~~	5,195 ~~[illegible]~~	86 ~~[illegible]~~	

REGION X PROVINCE/CITY	REG. NO. OF VOTERS	NO. OF PRECINCTS	NO. OF PRECINCTS CANVASSED	PRESIDENT MARCOS (KBL)	AQUINO (UNIDO)	CANOY (SDP)	PADILLA (MOTOR)	VICE PRESIDENT TOLENTINO (KBL)	LAUREL (UNIDO)	KALAW (LP)	[illegible]	ARIENDA (MOTOR)
AGUSAN DEL NORTE	102,132	304	286	45,587	32,928	209	10	44,828	33,018	318	0	48
BUTUAN CITY	102,569	293	291	33,866	40,660	533	23	34,330	39,223	990	0	23
AGUSAN DEL SUR	132,933	467	467	58,375	43,436	996	14	56,988	43,944	340	0	55
BUKIDNON	[illegible]	938	910	115,176	113,224	2,506	46	113,085	113,693	1,316	37	41
CAMIGUIN	30,438	91		11,140	15,487	97	2	10,600	15,299	674	1	3
MISAMIS OCC.	113,845	450	447	51,758	41,470	526	8	50,573	41,842	346	0	11
OROQUIETA C.	25,496	90		8,812	12,919	175	6	8,752	12,843	84	0	5
OZAMIZ CITY	45,023	136		12,978	21,925	221	13	10,161	24,571	176	0	10
TANGUB CITY	19,210	70	70	5,130	11,302	39	2	5,122	11,250	18	0	0
MISAMIS OR.	186,717	573		81,962	60,889	1,595	49	79,101	61,204	796	0	49
CAGAYAN DE ORO C.	149,116	404	278	31,336	43,377	1,104	40	33,941	40,372	1,032	0	58
GINGOOG CITY	39,238	152		17,967	13,818	102	0	17,447	13,926	77	0	2
SURIGAO NORTE	143,801	530		76,541	47,202	71	7	74,454	48,1[illegible]	547	0	9
SURIGAO CITY	43,245	146	146	12,919	21,204	70	3	13,107	20,198	735	0	8
TOTAL	[illegible]	[illegible]		563,547	519,841	8,244	223	552,528	519,502	7,451	38	[illegible]

REGION XI PROVINCE/CITY	REG. NO OF VOTERS	NO. OF PRECINCTS	NO. OF PRECINCTS CANVASSED	PRESIDENT MARCOS (KBL)	AQUINO (UNIDO)	CANOY (SDP)	PADILLA (MCTOR)	VICE PRESIDENT TOLENTINO (KBL)	LAUREL (UNIDO)	KALAW (LP)	[illegible] (UNIDO)	ARIEN (MOT
DAVAO DEL NORTE	415,035	1,198	1,190	158,720	142,607	5,396	82	162,444	147,857	2,454	116	167
DAVAO ORIENTAL	164,233	497	497	45,389	69,423	1,430	49	43,188	70,938	1,145	0	73
DAVAO DEL SUR	[illegible]	716	712	109,299	77,160	1,630	43	103,820	77,337	1,383	32	129
DAVAO CITY	[illegible]	[illegible]	1,070	120,314	142,828	4,026	311	129,435	127,955	7,579	0	514
SOUTH COTABATO	[illegible] 175	266	833	88,091	115,620	499	141	81,715	[illegible]	[illegible]	0	843
GEN. SANTOS C.	95,113	253	253	22,131	37,152	88	104	21,796	31,208	5,798	0	284
SURIGAO DEL SUR	[illegible]	173	568	58,496	77,994	364	43	58,064	76,957	389	0	99
TOTAL	1,751,[illegible]	[illegible]		609,540	662,799	13,413	773	599,462	635,701	57,840	148	1,[illegible]

REGION XII PROVINCE/CITY	REG. NO. OF VOTERS	NO. OF PRECINCTS	NO. OF PRECINCTS CANVASSED	PRESIDENT MARCOS (KBL)	AQUINO (UNIDO)	CANOY (SDP)	PADILLA MOTOR	VICE PRESIDENT TOLENTINO (KBL)	LAUREL (UNIDO)	KALAW (LP)	[illegible] (UNIDO)	ARI (MO
LANAO DEL NORTE	159,792	649		100,383	41,070	[illegible]	22	94,619	46,890	297	0	37
ILIGAN CITY	95,602	279	279	24,965	44,040	820	57	29,890	38,754	579	0	112
LANAO DEL SUR	342,164	1,357		191,755	23,676	14	1	159,339	54,226	356	19	17
MARAWI CITY	39,451	254		16,203	10,829	17	25	14,456	16,255	114		32
MAGUINDANAO	332,575	920	859	182,327	57,864	108	56	157,944	70,162	3,989	154	138
COTABATO C.	49,044	159	150	8,803	18,931	11	12	10,111	16,930	565	0	61
NORTH COTABATO	283,009	873	868	83,869	100,515	293	139	81,789	97,645	2,956	0	409
SULTAN KUDARAT	141,622	419	419	53,949	41,405	114	18	52,872	38,731	3,368	0	136
TOTAL	1,[illegible]	[illegible]		[illegible]	[illegible]	1,[illegible]	358	[illegible]	375,595	13,224	193	9[illegible]

REGION XI PROVINCE/CITY	REG. NO. OF VOTERS	NO. OF PRECINCTS	NO. OF PRECINCTS CANVASSED	PRESIDENT				VICE PRESIDENT				
				MARCOS (KBL)	AQUINO (UNIDO)	CANOY (SDP)	PADILLA (MOTOR)	TOLENTINO (KBL)	LAUREL (UNIDO)	KALAW (LP)	STUART (UNIDO)	ARIENDA (MOTOR)
VAO DEL NORTE	[illegible]	1,198	1,190	158,920	145,604	5,386	83	[illegible]	[illegible]	[illegible]		[illegible]
VAO ORIENTAL	[illegible]	497	497	45,469	39,423	1,450	40	[illegible]	[illegible]	[illegible]		[illegible]
VAO D. SUR	[illegible]	[illegible]	712	106,247	[illegible]	1,630	43	105,220	[illegible]	1,383		[illegible]
DAVAO CITY	[illegible]	1,075	1,070	120,314	143,858	4,086	311	105,435	[illegible]	[illegible]		[illegible]
UTH COTABATO	[illegible]	866	733	88,091	115,634	[illegible]	[illegible]	51,315	[illegible]	[illegible]		580
GEN. SANTOS C.	89,113	253	253	33,131	37,152	88	[illegible]	[illegible]	31,205	[illegible]		[illegible]
RIGAO D. SUR	[illegible]	573	568	58,496	73,942	364	43	57,064	[illegible]	[illegible]		[illegible]
TOTAL	1,753,778	5,578		609,580	[illegible]			574,[illegible]	635,[illegible]			

REGION XII PROVINCE/CITY	REG. NO. OF VOTERS	NO. OF PRECINCTS	NO. OF PRECINCTS CANVASSED	PRESIDENT				VICE PRESIDENT				
				MARCOS (KBL)	AQUINO (UNIDO)	CANOY (SDP)	PADILLA (MOTOR)	TOLENTINO (KBL)	LAUREL (UNIDO)	KALAW (LP)	STUART (UNIDO)	ARIENDA (MOTOR)
LANAO DEL NORTE	189,791	649	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]
ILIGAN CITY	95,602	279	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]
LANAO DEL SUR	242,164	1,357	[illegible]	[illegible]	[illegible]	14		[illegible]	[illegible]	256		[illegible]
MARAWI CITY	39,454	154	[illegible]	[illegible]	10,859	17	23	[illegible]	[illegible]	114		[illegible]
MAGUINDANAO	332,575	928	[illegible]	[illegible]	57,864	108	57	[illegible]	[illegible]	[illegible]	—	138
COTABATO C.	49,044	150	[illegible]	[illegible]	18,931	13	[illegible]	10,111	16,590	525	—	[illegible]
NORTH COTABATO	281,009	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]
SULTAN KUDARAT	141,622	419	[illegible]	[illegible]	41,405	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]
TOTAL	1,373,251	4,809		[illegible]	[illegible]			[illegible]	[illegible]			

ANNEX
XXXIX
Page 270

REPUBLIC OF THE PHILIPPINES
FIRST BATASANG PAMBANSA
METRO MANILA

Second Regular Session

RESOLUTION NO. 799

BATASANG PAMBANSA
RECEIVED

Introduced by Hon. Albano, Britanico, Garcia (M.M.), Asok and Diel

---

RESOLUTION

PROCLAIMING FERDINAND E. MARCOS AND ARTURO M. TOLENTINO AS THE DULY ELECTED PRESIDENT AND VICE-PRESIDENT OF THE PHILIPPINES, RESPECTIVELY.

WHEREAS, in pursuance of the provisions of the Constitution, as amended, and of Batas Pambansa Blg. 881, the Speaker, assisted by the Board of Tellers, has canvassed the returns and publicly counted the votes cast at the election for the offices of the President and Vice-President of the Philippines, held last February 7, 1986, and has found that for said office FERDINAND E. MARCOS and ARTURO M. TOLENTINO have received the highest number of votes for the offices of President and Vice-President, respectively: Now, therefore, be it

Resolved by the Batasang Pambansa, By virtue of the result of the canvass of election returns of the election held on February 7, 1986, to proclaim, as it hereby proclaims, FERDINAND E. MARCOS as the duly elected President of the Philippines, and ARTURO M. TOLENTINO as the duly elected Vice-President of the Philippines.

Adopted,

Salvador B. Britanico

MUNICIPALITY. SOGOD

sht. no 1/2

PRECINCT NO	MARCOS	AQUINO	TOLENTINO	LAUREL
41	258	132	248	139
10	53	219	56	212
4	111	130	115	120
20-A	161	49	160	45
30	74	68	74	67
25	57	36	57	37
16	90	137	88	138
17	141	110	143	106
15	61	71	67	63
6-A*	301	3	301	3
34	179	48	177	50
36	105	144	112	141
25-A	105	83	104	84
11-A	96	145	95	145
37-A	161	119	163	116
24	169	100	168	98
1-A	116	146	112	150
5-A	138	114	140	112
5	122	194	119	194
44	153	154	149	153
20	91	156	93	148
31	100	132	99	130
40	112	198	112	198
27	65	32	63	29
12	64	77	62	77
85	111	85	112	86
29	82	71	69	80
23	116	68	112	164
45	178	246	170	242

MUNICIPALITY SOGOD (Continuation) sht. no 2/2

PRECINCT No	MARCOS	AQUINO	TOLENTINO	LAUREL
21	298	171	56	174
14	32	69	32	69
43	39	108	38	108
9	15	69	15	69
7-A*	300	2	300	2
22	47	29	47	30
13	69	65	64	69
3-A	87	130	85	132
39	141	178	138	175
35	52	34	51	35
32	163	207	102	201
11	90	148	88	150
18-A*	300	6	300	6
2-A	113	50	118	45
8	78	119	75	119
15	55	25	29	31
25	131	107	128	110
3	102	152	102	150
6	60	46	62	44
7	74	42	71	42
26	97	159	98	160
42	22	24	21	25
19	77	116	73	119
33	230	170	209	171
2	132	100	121	115
21-A	102	159	93	170
1	129	126	128	124
55	6,371	5,876	6,243	5,873
* RETURNS UNDER PROTEST/NO RETURN 3	901	9	901	9

Received: 2-10-
Time: 11:00 AM

PROVINCIAL BOARD OF CANVASSERS
Capitol Building
Maasin, Southern Leyte

RE: CANVASS OF ELECTION RETURNS FOR
MUNICIPALITY OF SOGOD, SOUTHERN LEYTE

P R O T E S T

Undersigned UNIDO representatives to the Provincial Board of Canvassers, register a protest to the Election Returns submitted for the Municipality of Sogod, on the following grounds:

1. Sogod has only 53 duly constituted voting centers, and only 53 Election Returns was officially transmitted and received by the Provincial Treasurer, officially, for Sogod, as shown by the copy of the "Transmittal" and Receipt, copy of which is hereto attached as Annex "A", hereof;

2. That the result of the voting in said 53 voting centers was: MARCOS-5,463 votes; TOLENTINO-5,392 votes; AQUINO-5,646 votes; LAUREL-5,862 votes, or a majority for AQUINO of 401 votes, as shown by copy of the results of the voting hereto attached as Annex "B" hereof;

3. That in the Provincial Canvass conducted at about 10:00 to 11:00 o'clock this morning of February 9, 1986, 55 Election Returns were delivered and canvassed, or an excess of three (3) Election Returns purportedly corresponding to voting centers No. 6-A; No. 7-A and 18-A

4. That said voting centers No. 6-A; 7-A; and 18-A; are "ghost" voting centers, and the election returns corresponding to said voting centers are fake;

5. That the results in said three (3) ghost voting centers is: MARCOS - 301, 300, and 300 votes respectively; AQUINO - 3, 2, and 6 votes respectively, which patently shows that said returns was falsified or manipulated;

6. That the tally of the Provincial Canvass which included the afore-cited 3 ghost voting centers was: MARCOS-6,306 votes; TOLENTINO-6,283 votes; AQUINO-5,875 votes, and LAUREL- which materially altered the true and correct results of the voting, and has reversed the majority in favor of MARCOS by 491 votes;

7. That the manipulation (addition of three (3) Election Returns for the ghost precincts) was the handiwork of the Sogod Comelec Registrar Elizabeth Ruiz, in connivance with the Provincial Comelec Supervisor Atty. Rafael Iriarte, in that the Sogod Comelec Registrar spirited away the Election Returns for Sogod, without notifying the UNIDO representative Atty. Godofredo Gualteros, yesterday morning early, but did not show up to deliver the Returns the whole day yesterday while the Sogod UNIDO representatives waited, but made the delivery only today when the Sogod UNIDO representative had gone home in disgust.

- 2 -

WHEREFORE, it urged that the Election Returns for the three (3) "Ghost" Voting Centers No. 5-A; No. 7-A; and 13-A; be excluded from the canvass for being fake or spurious.

Maasin, Southern Leyte, February 9, 1986.

GASPAR V. TAMULO
and
[illegible] D. CORDOVA
UNIDO ~~[illegible]~~/Watcher
to the Provincial Board
of Canvassers

Copy Furnished:

Atty. Tobias Aguilar
KBL Representative

◉ PROVINCE of SOUTHERN LEYTE ◉

[TOTAL VOTES BY MUNICIPALITIES]

MUNICIPALITIES	No. of PREC	MARCOS	AQUINO	TOLENTINO	LAUREL
. MAASIN	110	14,137	12,968	14,097	13,009
2 MACROHON	40	3,983	4,655	3,870	4,760
3 MALITBOG	46	2,092	3,562	3,098	3,513
4. BONTOC	54	5,847	3,878	5,763	3,892
5. LIBAGON	19	2,966	1,752	2,710	1,723
6. SAN JUAN	24	2,003	2,724	1,991	2,713
7. HINUNANGAN	43	4,717	3,933	4,542	4,012
8 HINUNDAYAN	19	1,031	2,651	1,599	2,043
9 LILO-AN	28	3,962	3,085	3,873	3,108
0. San FRANCISCO	23	2,539	1,966	2,475	2,116
1. PINTUYAN	23	2,047	1,720	1,899	1,812
2. SOGOD	55	6,371	5,876	6,243	5,873
	3	901	9	201	9
3. TOMAS OPPUS	30	4,548	1,101	4,466	1,136
	10	1,520	242	1,797	269
4 SAN RICARDO	26	2,360	2,109	2,318	2,140
	4	788	0	722	0
5. PADRE BURGOS	24	4,180	1,713	4,114	1,760
	(6)	1,267	277	1,261	280
6 ANAHAWAN	23	2,865	1,434	2,814	1,429
	(5)	1 421	15	1,451	15
7. ST BERNARD	37	4,194	3,229	4,122	3,238
	3	275	57	251	66
8 SILAGO	20	2,512	1,966	2,493	2,069
	3	725	25	725	27
CLUDING ETURNS NDER PROTEST TOTAL	638	73,840	60,321	72,487	60,946
LESS. CONTESTED VOTES	33	7,208	635	7,184	676
	605	66,632	59,686	65303	60,270
PERCENTILE GAIN		52.7%	47.3%	52%	48%

REPUBLIC OF THE PHILIPPINES)
MAKATI, METRO MANILA)

SUPPLEMENTAL AFFIDAVIT

I, DIDAGEN P. DILANGALEN, of legal age, Filipino, married, residing at Cotabato City, Philippines, after having been duly sworn in accordance with law, depose and say that:

1) I am the official watcher of the UNIDO to the Provincial Board of Canvassers for the Province of Maguindanao relative to the February 7, 1986 elections;

2) I have read the affidavit of Doroteo G. Palencia. I affirm the truth thereof and adopt as my own the allegations contained therein;

3) Prior to and during the actual canvassing of election returns in the Province of Maguindanao, I noticed that all members of the Board of Canvassers except the UNIDO representative were all hostile to the UNIDO and glaringly partial to the KBL; Most of the objections of the UNIDO **during the canvassing** were overruled while those of the KBL were sustained;

4) Election returns which were ordered set aside by the Board of Canvassers and the results contained therein were included in the Certificate of Canvass prepared in the early morning of February 10, 1986 in our absence without giving opportunity to the UNIDO to be present from the late afternoon of February 9, 1986 and to be heard on any relevant matter thereon; Individual written protests could not be filed with the Board of Canvassers because the Board had finally adjourned in the early morning hours of

February 10, 1986 before the lapse of the 24 hour period provided for that purpose by Secs. 244 and 245 of the Omnibus Code;

5) The Certificate of Canvass prepared by the members of the Board of Canvassers is questionable, hastily prepared and does not reflect the real number of votes garnered by Presidential Candidate Corazon Aquino and President Ferdinand E. Marcos; the same certificate was never signed by Doroteo Palencia, UNIDO representative to the Board of Canvassers, but by a certain Washington Ampatuan, a close relative of Minister Simeon Ampatuan Datumanong; said Washington Ampatuan has no authority whatsoever from the UNIDO to represent it to the Board of Canvassers;

6) FURTHER I SAYETH NAUGHT.

Makati, Metro Manila, February 11, 1986.

Didagen P. Dilangalen
DIDAGEN P. DILANGALEN
Affiant

SUBSCRIBED AND SWORN to before me this 12th day of February, 1986, at Makati, Metro Manila, affiant exhibiting to me his Res. Cert. No. 7621979, issued on March 15, 1985, at Kabuntalan, Maguindanao

ABSabangan
NOTARY PUBLIC

AURALOU B. SABANGAN
NOTARY PUBLIC
UNTIL DEC. 31, 1986
PTR # 1801281
MAKATI, AUGUST 6.1985

Doc. No. 27;
Page No. 7;
Book No. II;
Series of 1986.

REPUBLIC OF THE PHILIPPINES)
MAKATI, METRO MANILA) S.S.

AFFIDAVIT

I, NARCISO CLAR, Filipino, of legal age, married, residing at Malagapas, Cotabato City, after first being duly sworn, depose and say:

1) That I am a duly appointed UNIDO Liason Officer in Maguindanao and Cotabato City;

2) That about 6:00 o'clock in the evening of February 9, 1986, I was requested by Ex-Gov. Zacaria A. Candao to proceed to the Provincial Capitol in Maganoy, Maguindanao together with Ding Pioquinto and Eia Sema to find out whether the Provincial Board of Canvassers continued to canvass election returns or not;

3) That I personally saw the Provincial Board of Canvassers canvassing election returns inspite of the absence of Board Member Doroteo Palencia - UNIDO representative to the Board;

4) That I learned that a certain Washington Ampatuan was appointed by the Board of Canvassers to act as UNIDO representative in the absence of Board Member Palencia; I learned also that Washington Ampatuan is a close relative of Minister Simeon A. Datu Manong;

5) That I saw two truckloads of PC soldiers and armed men without uniform surrounding the Capitol Building on that same evening;

6) That I also saw one APC vehicle (Armored Personnel Carrier) parked in front of the Capitol Building in Maganoy on the same night;

7) That the men of Ex-Gov. Candao assigned to guard the election returns inside the building, who were all unarmed, requested me that they be allowed to leave the premises and ride with us to Cotabato City as some armed men in the Provincial Capital threatened and intimidated them at the point of a gun if they will not leave the Provincial Capital;

8) That some of the men of Ex-Gov. Candao returned with us to Cotabato City, about 11:00 p.m. of the same evening on the 9th of February.

9) FURTHER I SAYETH NAUGHT.

Makati, Metro Manila, February 11, 1986.

NARCISO CLAR
Affiant

SUBSCRIBED AND SWORN to before me this 12th day of February, 1986 at Makati, Metro Manila, affiant exhibiting to me his Res. Cert. No. 11255968, issued at Cotabato City, on January 14, 1986

NOTARY PUBLIC

URALOU B. SABANGAN
NOTARY PUBLIC
UNTIL DEC. 31, 1986
PTR # 1801281
MAKATI, AUGUST 6, 1985

Doc. No. 30;
Page No. 7;
Book No. II;
Series of 1986.

Republic of the Philippines
COMMISSION ON ELECTIONS
Manila

PETITION TO DECLARE FAILURE
OF ELECTION IN NEGROS DEL
NORTE PROVINCE,

~~CASE NO~~. SPC NO. 86-3

CORAZON C. AQUINO,
Petitioner.
x - - - - - - - - - - - - - - - - - x

PETITION

PETITIONER, by counsel to this Honorable Commission on Elections respectfully states:

1. That the petitioner is the duly registered candidate for President in the February 7, 1986 Presidential Elections, of legal age, Filipino, widow, and a resident of Times Street, Quezon City, Philippines, where she may be served with summons and other court processes;

2. That immediately before, during and after the February 7, 1986 Presidential Elections, there was a total and absolute failure of elections in the entire Province of Negros Del Norte resulting to the absolute frustration in the free expression of the will of the electorate of said province;

3. That the failure of elections was caused and attended by the following grounds/circumstances, to wit:

a. registrations of voters were conducted even beyond the registration days and in contravention of the form and manner provided by law;

b. unqualified/disqualified persons were allowed to be registered and included in the list of voters while qualified voters were illegally excluded from the list of voters resulting to their disenfranchisement sufficient in number to alter and change the outcome of elections;

c. no publication of list of voters were made/posted contrary to the provisions of the Election Code;

d. illegal composition of the Board of Election Inspectors;

e. non-accreditation of the inspectors of the Dominant Opposition Party;

f. non-accreditation of the opposition watchers including those of the NAMFREL;

g. active and partisan political activities of the illegally constituted Board of Election Inspectors inside their respective precincts;

h. unofficial, falsified, tampered and irregular ballots and election returns were used;

i. unauthorized persons were allowed to freely enter/roam the polling places to harass, intimidate, coerce and brazenly engaged in partisan political activities;

j. challenges and protests against illegal voters were not entertained and unjustly denied;

k. absence of the minutes of voting and counting of votes;

l. counting of votes were not made in public, but were inside in closed door heavily guarded by armed men such as CHDF AND many were made in private places;

m. illegal transfer of polling places;

n. excess, marked, and spoiled ballots were counted in favor of the ruling party;

o. ballots were improperly, erroneously, and grossly appreciated and counted in favor of the ruling party;

p. illegal, improper, incomplete and irregular election returns were made and submitted;

q. illegal, irregular and arbitrary proclamation of results by the Board of Election Inspectors/ Board of Canvassers;

r. irregular, incomplete and illegal disposition of election returns;

s. massive tampering, falsification, alteration and modification of election returns sufficidnt to change and alter the result of the election;

t. illegal and irregular composition of the Board of Canvassers of the Province of Negros del No te and its component cities;

u. illegal and irregular proceedings conducted by the Board of Election Inspectors/Board of Canvassers;

v. unauthorized persons were allowed inside the canvassing rooms;

w. canvassing were made under duress intimidation, coercion, threat, and the results thereof manufactured, falsified and not authentic;

x. canvassed election returns were incomplete, containing material defects, discrepancies, tampered, falsified and not authentic;

y. massive vote-buying, rampant use of flying voters, threats, intimidation, terrorisms, fraudulent devices and other forms of coercion;

z. unlawful electionnering, employment of CHDF, military men, goons and hoodlums and other armed men who harassed and intimidated voters to vote in favor of the ruling party candidates or to drive away known opposition voters;

aa. accreditation of DOP watchers and other citizens arms of the COMELEC were illegally revoked, rescinded or withdrawn prior to the holding of the election.

WHEREFORE, premises considered, it is most respectfully prayed of this Honorable Commission to declare as null and void the result of the elections held in the Province of Negros Del Norte and its component cities, and;

1. To immediately stop and enjoin the various City and Provincial Board of Canvassers of the Negros Del Norte Province and its component Cities from further continuing their respective canvass;

2. To schedule/hold a new elections in the province of Negros Del Norte under the direct supervision of the Manila COMELEC.

Petitioner further prayes for such other reliefs that are just and equitable under the premises.

Manila, Philippines, February 10, 1986.

xxxxxxxxxxxxxxxxxxx
xxxxxxxxxx

xxxxxxxxxxxxx
xxxxxxxxxxxxx

By:

FRANCIS E. GARCHITORENA

ATTY. JOBER ARROYO

ATTY. CONSTANCIO LEGASPI

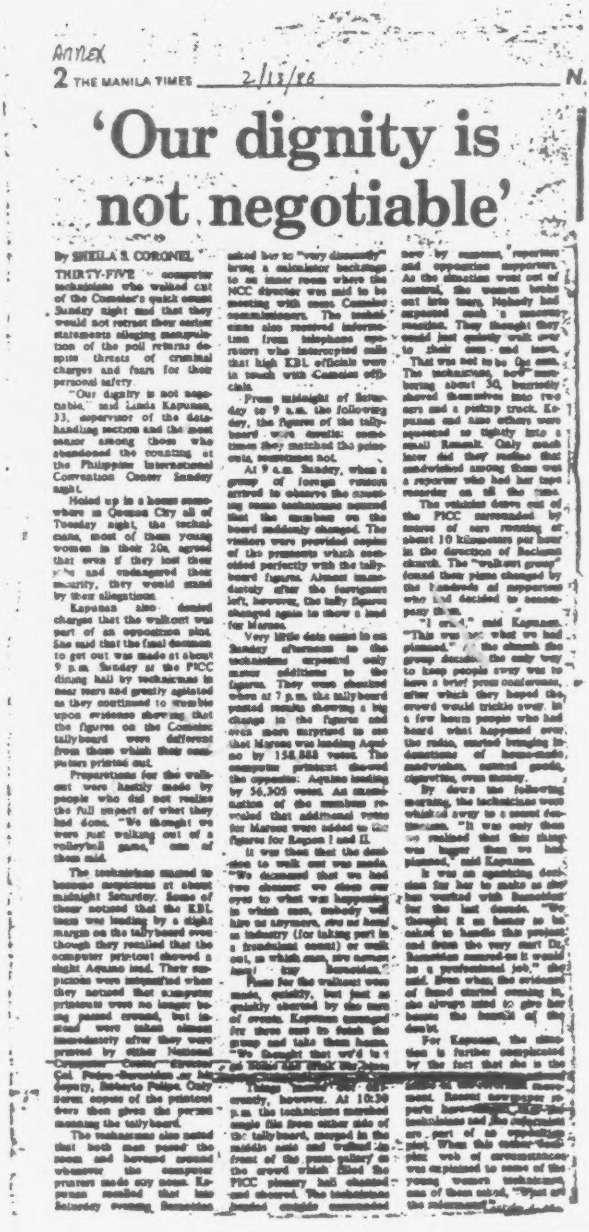
ATTY. JUANITO AMIHAN

ATTY. SERAFIN GUINAIGN, JR.

2nd Floor, Zeta Building
191 Salcedo St., Legaspi Village
Makati, Metro Manila

...NG LIPUNAN
...ARTERS
RE... ...ED

COPY FURNISHED:
Kilusang Bagong Lipunan
[illegible]



Annex

2 THE MANILA TIMES 2/13/86 N.

'Our dignity is not negotiable'

By SHEILA S. CORONEL

THIRTY-FIVE computer technicians who walked out of the Comelec's quick count Sunday night said that they would not retract their earlier statements alleging manipulation of the poll returns despite threats of criminal charges and fears for their personal safety.

"Our dignity is not negotiable," said Linda Kapunan, 33, supervisor of the data-handling section and the most senior among those who abandoned the counting at the Philippine International Convention Center Sunday night.

Holed up in a house somewhere in Quezon City all of Tuesday night, the technicians, most of them young women in their 20s, agreed that even if they lost their jobs and endangered their security, they would stand by their allegations.

Kapunan also denied charges that the walkout was part of an opposition plot. She said that the final decision to get out was made at about 9 p.m. Sunday at the PICC dining hall by technicians in near tears and greatly agitated as they continued to stumble upon evidence showing that the figures on the Comelec tallyboard were different from those which their computers printed out.

Preparations for the walkout were hastily made by people who did not realize the full impact of what they had done. "We thought we were just walking out of a volleyball game," one of them said.

The technicians started to become suspicious at about midnight Saturday. Some of them noticed that the KBL team was leading by a slight margin on the tallyboard even though they recalled that the computer printout showed a slight Aquino lead. Their suspicions were intensified when they noticed that computer printouts were no longer being passed around, but instead were taken almost immediately after they were printed by either National Computer Center director Col. Pedro Benedicto or his deputy, Roberto Felipe. Only xerox copies of the printout were then given the person manning the tallyboard.

The technicians also noted that both men paced the room and hovered around whenever the computer printers made any noise. Kapunan recalled that late Saturday evening, Benedicto asked her to "very discreetly" bring a calculator backstage to an inner room where the NCC director was said to be meeting with some Comelec commissioners. The technicians also received information from telephone operators who intercepted calls that high KBL officials were in touch with Comelec officials.

From midnight of Saturday to 9 a.m. the following day, the figures of the tallyboard were erratic: sometimes they matched the printouts, sometimes not.

At 9 a.m. Sunday, when a group of foreign visitors arrived to observe the counting some technicians noticed that the numbers on the board suddenly changed. The visitors were provided copies of the printouts which coincided perfectly with the tallyboard figures. Almost immediately after the foreigners left, however, the tally figures changed again to show a lead for Marcos.

Very little data came in on Sunday afternoon so the technicians expected only minor additions to the figures. They were shocked when at 7 p.m. the tallyboard posted results showing a big change in the figures and even more surprised to see that Marcos was leading Aquino by 158,888 votes. The computer printout showed the opposite: Aquino leading by 56,305 votes. An examination of the numbers revealed that additional votes for Marcos were added to the figures for Region I and II.

It was then that the decision to walk out was made. "We discussed that we had two choices: we close our eyes to what was happening in which case, nobody will hire us anymore, we're branded as industry (for taking part in a fraudulent count) or walk out, in which case, we're [illegible] by Benedicto."

Plans for the walkout were made quickly, but just as quickly changed by the turn of events. Kapunan arranged for three cars to fetch the group and take them home. "We thought that we'd be [illegible]

Things turned out differently, however. At 10:30 p.m. the technicians marched single file from either side of the tallyboard, merged in the middle aisle and walked in front of the press gallery as the crowd which filled the PICC plenary hall clapped and cheered. The technicians headed outside surrounded now by cameras, reporters and opposition supporters. As the situation went out of control, the women broke out into tears. Nobody had expected such a [illegible] reaction. They thought they would just quietly walk over to their cars and leave.

That was not to be the case. The technicians, now numbering about 30, hurriedly shoved themselves into two cars and a pickup truck. Kapunan and nine others were squeezed so tightly into a small Renault. Only much later did they realize that sandwiched among them was a reporter who had her tape recorder on all the time.

The vehicles drove out of the PICC surrounded by scores of cars running at about 10 kilometers per hour in the direction of Baclaran church. The "walkout group" found their plans changed by the hundreds of supporters who had decided to accompany them.

"I cried," said Kapunan. "This was not what we had planned." At the church the group decided the only way to keep people away was to have a brief press conference, after which they hoped the crowd would trickle away. In a few hours people who had heard what happened over the radio, started bringing in donations of home-made sandwiches, canned goods, cigarettes, even money.

By dawn the following morning, the technicians were whisked away to a secret destination. "It was only then we realized that this thing was bigger than we had planned," said Kapunan.

It was an agonizing decision for her to make as she has worked with Benedicto for the last decade. "We thought it an honor to be asked to handle this project and from the very start Dr. Benedicto assured us it would be a professional job," she said. Even when the evidence of fraud started coming in, she always tried to give her bosses the benefit of the doubt.

For Kapunan, the situation is further complicated by the fact that she is the [illegible] movement. Recent newspaper reports have [illegible] the technicians and the [illegible] are part of an opposition plot. When this rather complex web of circumstances was explained to some of the young women technicians, one of them asked, "What are the [illegible]

Doc. # 8

AFFIDAVIT

I, PEDRO F. BARAOIDAN, married, of legal age,and residing at 31 Pines Street, Fairview, Quezon City, after having been sworn to in accordance with law, hereby depose and say:

THAT, I have been deputized as the Project Manager of the COMELEC National Tabulation Project, pursuant to the Commission on Elections Resolution No. 1763, dated January 28, 1986;

THAT in accordance with such deputation, I effected the development of an Advance Election Return Tabulation System through the Project Management Office of the National Computer Center (NCC) pursuant to Section 2 of the aforementioned COMELEC resolution, authorizing me to enlist the component units of the NCC in my assigned mission;

THAT, in addition to the above action I recommended to the Commission the creation of a Board of consultants which would assist me in steering the Tabulation Project until its completion;

THAT, on February 7, 1986 the System designed and developed by the Project Management Office of NCC, after a review and approval by the Board of Consultants, was already in place and ready for implementation;

THAT, on the evening of February 9 at about 10:30 P.M., a group of about thirty (30) programmers and other technicians, primarily from the Tabulation Section of the COMELEC National Tabulation Project Organization, walked out of the plenary hall of PICC where the facilities were installed and were being operated, into the lobby where a group of journalists, newsmen, photographers and TV and broadcast media personnel were waiting; the media men herded/escorted the group into waiting vans and/or cars; the group was then transported to Baclaran Redemptorist Church where they held a press conference, wherein they stated that they walked out of the COMELEC tabulation due to certain discrepancies between the results in computer printouts in their possession and the entries on the [illegible] board; they also stated that this

PBaraoidan

constituted cheating, and did not want to have any part of it.

[illegible] other personnel [illegible] could have [illegible] if only they had taken the time to consult me, instead of pre-judging and imputing certain motivations on my alleged action of pacing the plenary hall including my responding to frequent telephone calls on the plenary hall floor and in the backstage of the hall, and my alleged "unusual actuation" of having a calculator brought to the backstage; and that instead of condemning the undersigned for allegedly "unprofessional" conduct these programmers and technicians who walked out could have avoided violations of certain provisions of the Omnibous Election Code, while sparing the country, the Commission on Election and the National Computer Center, the institution where they regularly belong, of undue embarrassment.

THAT, the computer printout upon which the "walkout group" is basing their charge of cheating, is derived from the system which they themselves designed and developed, and which allowed only telexes of precinct level results, NAMFREL tally sheets on the precinct level, and advance election returns as the inputs to the system; telexes covering the same precinct are to be suspended together with the original result until further clarificaton and/or verification from either the election registrar or COMELEC. The system likewise did not allow for the inclusion in the final tally, of telexes which summarize the results for a group of precincts, if the votes could not be broken down by precincts. The action that was envisioned in this case was to suspend these summary telexes, until the breakdown is available from clarificatory telexes from the election registrar. This leads to a delay in the tallying of the results of groups of precincts which are reported in the summary forms with no breakdown by precincts.

THAT, in view of the above and when we noticed a number of results being submitted were large enough to affect the cumulative tally at any point in time, we requested the Chairman of the Commission on February 8, 1986 to allow us to proceed utilizing such summary results in order not to delay reporting of the results from any locality concerned, with the understanding that we would exercise care to ensure no double counting, by deducting the results that had already been reported which are included in the summary results,and that the breakdown by precincts be recorded as they become available.

With the authorization by the Commission, we then implemented a new system whoreby available summary telexes would be incorporated in the final tally at the tabulation board. We decided not to inform the system people or the tabulation group about the system, inasmuch as incorporating the provis[illegible] [illegible]

[illegible] revision and reprogramming of [illegible] existing system [illegible] disrupt the existing [illegible]. We merely [illegible] prior to posting on the [illegible] manually, but the process has now been computerized.

THAT, the above explanation shows that there is no inconsistency between the claim of the "walkout group" and the results on the tally board, particularly if we take note of the number of precincts included in each report; that there is no basis for the charges of cheating, manipulation or changing of votes for any of the candidates; and that the seeming difference between what the "walkout group" saw in the computer printouts is fully explained by the incorporation of summary reports in the final figures that were posted on the tally board.

THAT, after the walkout, the project personnel I assigned to inventory remaining resources indicated the absence of sytems and program diskettes, program listings, tabulation outputs, and some data diskettes with the information that some members of the "walk-out" group were seen carrying these materials.

THAT, I instructed other Project personnel to try taking over the tabulation function; however, these personnel were not able to do so, inasmuch as the people who had walked out had taken with them all the systems and program diskettes, including the passwords needed to enter and use the tabulating computer systems; the tabulation was at a stand still for at least twelve hours until we started our recovery operations to bring back the systems into the appropriate processing stream; although not fully operational,we started processing at about 5:00 P.M. February 10, 1986; we made our update of the tally board about 7:30 P.M. February 10, 1986, about twenty (20) hours after the walkout of the programmers and technicians.

THAT, the walkout of the thirty programmers and technicians was pre-planned and premeditated as evidenced by the unusual number of people in the gallery who had been systematically heckling the COMELEC Project personnel, the shouting of "CORY ! CORY !", "Walk-Out ! Walk-Out !" and the fact that the group stood up simultaneously after a signal from Ms. Linda Kapunan, exiting one after the other into waiting press and media men, who seemed to have been informed beforehand that a walk-out would be staged.

THAT, as a result of the above observation, I began to recall the unusual interest of the above group in being involved and assigned [illegible] the operations group; that inasmuch as they had been involved [illegible] the design and the development of the system, I initially looked at them as technical consultants only but they made representations to be directly involved through their [illegible] clients allowed [illegible] to the [illegible] in view of [illegible] that, in effect, we were [illegible] complete control to the group.

THAT, there were computer programming "bugs" or errors which we encountered during the early tabulations: one error hung up the system for about three hours, another error miscomputed the number of precincts, giving unreasonable figures on the tally board; the number of precincts figures had to be changed eventually, but this resulted in giving the impression that the Project personnel wre manipulating the figures;

THAT, the system also experienced delays in the processing: data diskette errors kept cropping up and there seemed to be bottle necks in the flow of work data from one section to another;

THAT, on the basis of the above observations and the final act of "walkout", I cannot entirely rule out the fact that the same group who had designed and developed the system had really wanted to slow down and/or paralyze the system from the very beginning, as they had done when they walked out, taking along with them all systems, programs, and data diskettes, passwords and source listings;

THAT, the above notwithstanding, I respectfully submit to the Commission on Elections the matter of taking the appropriate action on this case; I would merely point out that the COMELEC Tabulation Project has sufferred delays, and that its credibility has been put in question by the irresponsible and impulsive act of the thirty programmers and other technicians who walked out of the COMELEC Tabulation Project on February 9, 1986.

IN WITNESS WHEREOF, I hereby affix my hand this 15th day of February 1986.

PBaraoidan

DR. PEDRO F. BARAOIDAN
Affiant

SUBSCRIBED AND SWORN TO before me on: this 15 day of February, 1986 at Manila, Philippines, affiant exhibiting to me his Res. Cert. No. 5182231 E, issued on July 8, 1985 at Quezon City.

Administering Officer

COMMITTEE REPORT ON THE WALK-OUT OF COMPUTER/TABULATORS AT THE PHILIPPINE INTERNATIONAL CONVENTION CENTER

FACTS OF THE CASE

On or about 10:20 P.M. of February 9, 1986, thirty (30) persons employed as Computers/Programmers/Tabulators of the COMELEC Tabulation Center at PICC left their assigned places and marched out of the PICC. Their "walk-out" was preceded by shouts of "CORY, CORY", boos, "WALK-OUT, WALK-OUT" and catcalls against Marcos and general heckling from a portion of the audience at the gallery. They were applauded and cheered when they walked-out of the Center. At the main entrance of PICC, cars and vans appeared to be waiting for them and they were brought to the Redemptorist Church in Baclaran. Their leader and spokesman, Ms. Linda Kapunan answered questions by media representatives and afterwards they were offered and accommodated in a church hostel provided by a priest. The press later on reported that according to Mrs. Kapunan, she sensed something "fishy" when one of the programmers saw some discrepancies between the computer print out of election returns and the figures written on the tally board, showing a slight margin for the Marcos-Tolentino team over the Aquino-Laurel team, which had a slight edge before that. She hinted that there was manipulation of the COMELEC Tabulation.

CREATION OF THE FACT-FINDING COMMITTEE

The above-incident, having been headlined in the newspapers, the Chairman of the Commission on Elections was prompted to create a Fact-Finding Committee, composed of Commissioner Mario D. Ortiz as Chairman and Commissioners Quirino A. Marquinez and Ruben Agpalo as Members. The Fact-Finding Committee then created a sub-committee to conduct an initial investigation and to gather data relative to the reported walk-out of employees at PICC tabulation center. Having performed the duties assigned to it, the sub-committe submitted its report and recommendations to the Fact-Finding Committee, copy of which is hereto attached as Annex "A", together with the annexes in support thereof.

ANALYSIS

On the basis of the data submitted by the sub-committee, as well as the **statement** executed by Dr. Pedro F. Baraoidan, it has been clearly shown that no order was ever given to any of the personnel at the PICC

Tabulation Center to alter, amend, modify or delay the tabulation of the election results (see Annexes "A" to "A-91" of the sub-committee's report); that some unruly persons and hecklers have disturbed the proceedings at the Tabulation Center at PICC prior to the walk-out, which may have prompted them to stage the same; and that said walk-out appears to be well-planned as shown by the series of events subsequent to the walk-out. Furthermore, the press release of Linda Kapunan, serialized at the Philippine Daily Inquirer, discloses that her allegations relative to the walk-out are based on mere suspicions without solid pieces of evidence to stand on. Moreover, the fact that she refuses until now to heed the call of the COMELEC to shed light on the incident but rather chose to give her version to the alternative press gives rise to the presumption that her true motive and intention is really to discredit and embarass the COMELEC.

On the other hand, on the basis of the statement submitted by Dr. Baraoidan, he categorically denied that there was manipulation in the COMELEC advance tabulation at PICC. He explained that several summaries, or telexes of results with no precinct breakdown, were received by the center. The operating system did not allow for the inclusion in the final tally of telexes which summarize the results for a group of precincts if the votes could not be broken down by precincts. The action that was envisioned in this case was to suspend these summary telexes until the breakdown is available from the Election Registrars. Thus, it would lead to a considerable delay in the tallying of results based on summary telexes. Hence, as required by the exigencies as the summary telexes were large enough to affect the cumulative tally, Dr. Baraoidan requested the Chairman of the COMELEC on February 8, 1986 to allow him to proceed utilizing such summary results. With the authority thus given, Dr. Baraoidan then implemented a new system whereby available summary telexes would be incorporated in the final tally at the tabulation board with enough safety measures undertaken to prevent double counting. In the end, unnecessary delay would be prevented without sacrificing the veracity of the tally.

Regrettably, the adverse effects of the premeditated walk-out are immeasurable, not to mention the fact that, after an immediate inventory, systems and program diskettes, program listings, tabulation outputs and some data diskettes were found to [illegible] missing. Some members of the "walk-out" group were reported to have carted away with these items. The incident led to the paralyzation of the project for about twenty (20) hours inasmuch as the "walk-out" people had taken even the passwords needed to enter and use the tabulating computer systems. The recovery operations to bring back the systems into the appropriate processing stream needed at least twelve (12) hours to commence.

It is with great suspicion, therefore, that the computer programming "bugs" or errors which were encountered during the early tabulation could have been put in place by the same "walk-out" group as part of their grand malicious scheme not only to derail the project but also to give the wrong impression that the tabulation is being manipulated.

Furthermore, it is a matter of public knowledge, as repeatedly carried by press reports, that Mrs. Kapunana is the leader and Chief Instigator of the "walk-out" by 30 computer/programmers/tabulators in the evening of February 9, 1986. That the said walk-out appears to have no solid basis because her premise was based merely on assumption, to quote "that she sensed something fishy" which to our mind is more of a product of imagination than real.

Moreover, it is to be noted that there is sufficient basis for the suspicion that the walk-out was pre-planned and deliberate, because it was preceded by chants of "Cory, Cory" and "walk-out walk-out" and other form of partisan heckling from a group of persons at the gallery of the PICC who also cheered Mrs. Kapunan and her companions when they walked-out, and because there appeared to be a ready fleet of cars and van waiting for them at the entrance of the PICC which took them to the Redemptorist Church at Baclaran where they held a press conference.

RECOMMENDATION

Based on the data, so far gathered, this Committee finds that there is no credible proof whatsoever that a manipulation was made in the tabulation of results at the COMELEC Tabulation Center.

Considering, however, the national significance of the incident, and the probable im pact it would create viz-a-viz the February 7, 1986 Elections, it is our considered view and this Committee hereby submits that the recommendations made by the Sub-Committee be substantially adopted, to wit:

A. That the thirty (30) persons who walked-out be summoned by the Commission to shed light on the incident relative to their walk-out from the PICC on February 9, 1986.

B. That appropriate legal action be taken against them, if warranted by the evidence; and

C. That when so warranted, an independent body of private auditors be created to verify the existence of alleged manipulation at the PICC Tabulation Center.

Manila, February 15, 1986.

Respectfully submitted:

MARIO D. ORTIZ
Commissioner
(Chairman)

QUIRINO A. MARQUINEZ
Commissioner
(Member)

RUBEN AGPALO
Commissioner
(Member)

Boston University

VOTE TALLY DISCREPANCIES
COMPARISON OF NAMFREL TALLIES
AND OFFICIAL BATASAN CANVASS
FEBRUARY 7, 1986 PHILIPPINE ELECTION

PROVINCE	NAMFREL			BATASAN 99% TALLIED	
	% TALLIED	MARCOS	AQUINO	MARCOS	AQUINO
Ilocos Norte	29%	59,771	1,937	189,897	718
Isabela	19%	58,012	26,443	402,860	20,072
Leyte	103%	301,049	170,978	300,803	143,261
Misamis Occ	54%	24,292	43,002	51,758	41,470
Batangas	103%	159,001	251,160	155,474	236,616
Iloilo City	100%	55,735	64,889	55,282	63,708
Bacolod City	100%	54,464	67,293	52,951	65,231
Baguio City	103%	42,215	25,394	41,640	24,803
Misamis Or	99%	95,050	71,308	81,962	60,899
Lanao Norte	60%	36,373	52,793	100,383	44,070
Cebu City	126%	89,164	220,771	60,748	167,280
Negros Or	118%	129,781	139,205	113,402	110,187
Cagayan Oro	90%	43,453	57,693	31,336	43,377

LOSS OF VOTES: COMPARISON OF
NAMFREL AND BATASAN TALLIES BY CANDIDATE FOR LISTED
PROVINCES AND CITIES

	MARCOS	AQUINO
Ilocos Norte		-1,219
Isabela		-6,371
Leyte	-246	-27,717
Misamis Occ		-1,532
Batangas	-3,527	-14,544
Iloilo City	-453	-1,181
Bacolod City	-1,513	-2,062
Baguio City		-591
Misamis Or	-13,088	-10,409
Lanao Norte		-8,732
Cebu City	-28,416	-53,491
Negros Or	-16,379	-29,018
Cagayan Oro	-12,117	-14,316
NET LOSS:	-75,739	-171,183

Tampered

Doc. #3

Republic of the Philippines
Province of Lanao del Sur
Municipality of Bayang

KBL LOCAL HEADQUARTERS

ADVANCE RESULT OF THE FEBRUARY 7, 1986 PRESIDENTIAL ELECTION

NAME OF CANDIDATES	NUMBER OF VOTES CAST FOR: Prec. #1	Prec. #2	Prec. #3	Prec. #4	Prec. #5	Prec. #6	Prec. #7	Prec. #8	Prec. #9	Prec. #10	Prec. #11	Prec. #12	Prec. #13	Prec. #14	Prec. #15	Prec. #16	Prec. #17
FOR PRESIDENT	/	?	?	?	/	?	?	?	?	?	/	?	?	?	?	?	/
MARCOS, Ferdinand E	104	440	201	119	39	162	156	177	53	200	83	158	52	261	177	166	266
AQUINO, Corazon C	68	60	41	34	20	53	26	23	27	27	82	153	22	104	42	72	13
FOR VICE PRESIDENT																	
TOLENTINO, Arturo	87	66	30	60	27	120	19	107	53	120	72	74	42	52	97	25	55
LAUREL, Salvador	81	57	111	85	30	95	30	30	30	95	93	153	22	116	46	77	223

NAME OF CANDIDATES	NUMBER OF VOTES CAST FOR: Prec. #18	Prec. #19	Prec. #20	Prec. #21	Prec. #22	Prec. #23	Prec. #24	Prec. #25	Prec. #26	Prec. #27	Prec. #28	Prec. #29	Prec. #30	Prec. #31	Prec. #32	Prec. #33	TOTALS
FOR PRESIDENT	?	/	/	?	?	/	/	/	?	/	/	?		?	/	/	
MARCOS, Ferdinand E	341	46	402	132	223	49	207	156	302	3	288	130	141	192	246	204	6,015
AQUINO, Corazon C	79	15	46	57	37	7	21	105	88	2	48	134	54	109	104	84	1,857
FOR VICE PRESIDENT																	
TOLENTINO, Arturo	341	42	402	80	114	44	202	118	150	3	280	129	141	53	246	204	3,655
LAUREL, Salvador	79	19	46	57	102	7	27	[illegible]	[illegible]	2	57	135	89	109	104	84	2,522

Respectfully submitted by:

③ Excessive cheating & [illegible]

[illegible] ICMAN
Municipal Mayor
Municipal Chairman

PRECINCT TALLY SHEET

Copy 1 - Provincial

Province LANAO DEL SUR

City or Municipality BAYANG

Precinct Number 4

Number of Votes Cast 0047

Barangay MALIWANAG

Number of Precincts under School Chairman

RESULT OF COUNT	VOTES IN FIGURES	PRINTED VOTES IN WORDS
FOR PRESIDENT		
[illegible]	0011 ✓	ELEVEN
[illegible]	0034	THIRTY FOUR
Control Total	0045 ⇦	Total of votes for Marcos and Aquino
FOR VICE-PRESIDENT		
[illegible]	0010	TEN
[illegible]	0035	THIRTY FIVE
[illegible]	0000	NONE
Control Total	0045 ⇦	Total of votes for Tolentino, Laurel and Kalaw

WE HEREBY CERTIFY that the candidates above have obtained in this precinct the votes opposite their respective names.

BOARD OF ELECTION INSPECTORS

KTELA CARRANGAN

MOCARA TABUA
Poll Clerk

LACORSAN BANTUAS
Member

NORODIN BOLUG
UNIDO Member

AFTER SIGNING PLEASE FILL IN DATE AND TIME OF RECEIPT

Poll Watcher	2. School Chairman KTELA CARRANGAN	3. Municipal Courier (Print name & sign)
[illegible] P.M.	Date FEB. 7 '86 Time [illegible] P.M.	Date FEB. 7 '86 Time 3:30 P.M.
Municipal Chapter Chairman [illegible]	5. Provincial Courier (Print name & sign)	6. Provincial Chairman/NHQ (Print name & sign)
Date Time	Date Time	Date Time

Poll Watcher: Encircle one of the following according to instructions ⇨ A B C D

Please Explain why C or D

015988

PRECINCT TALLY SHEET

Copy 1 - Provincial/NHQ Copy

Province: LANAO DEL SUR

Barangay: BATRAN

City or Municipality: BAYANG

Number of Precincts under School Chairman: 3

Precinct Number: 3

Number of Votes Cast: 0094

RESULT OF COUNT	VOTES IN FIGURES	PRINTED VOTES IN WORDS
FOR PRESIDENT		
1. MARCOS	0051	FIFTY ONE
2. AQUINO	0041	FOLRTY ONE
Combined Total	0092 ⇦	Total of votes for Marcos and Aquino
FOR VICE-PRESIDENT		
1. TOLENTINO	0030	THIRTY
2. LAUREL	0057	FIFTY SEVEN
3. KALAW	0000	
Combined Total	0087 ⇦	Total of votes for Tolentino, Laurel and Kalaw

WE HEREBY CERTIFY that the candidates above have obtained in this precinct the votes set forth after their respective names.

BOARD OF ELECTION INSPECTORS

POLKOS DECAMPONG
Chairman

MAR-ALI MADONGA
Poll Clerk

PINDO

ALMENDRAS DECAMPONG
UNIDO Member

AFTER SIGNING PLEASE FILL IN DATE AND TIME OF RECEIPT

1. Poll Watcher	2. School Chairman POLKOS DECAMPONG	3. Municipal Courier (Print Name & Sign)
Date [illegible] Time [illegible]	Date FEB. 7 86 Time 3:40 P.M.	Date FEB. 7 86 Time 3:40 P.M.
4. Municipal Chapter Chairman [illegible] KATIMAS (Print Name & Sign)	5. Provincial Courier (Print Name & Sign)	6. Provincial Chairman/NHQ (Print Name & Sign)
Date Time	Date Time	Date Time

ANNEX
XLVII.2
Page 298

PRECINCT TALLY SHEET

Copy 1 - Provir

Province LANAO DEL SUR

City / Municipality BAYANG

Precinct Number 2

Total Votes Cast 0136

Barangay CONDARAAN

Number of Precincts under School Chairman 2

RESULT OF COUNT	VOTES IN FIGURES	PRINTED VOTES IN WORDS
FOR PRESIDENT		
MARCOS	0075	SEVENTY FIVE
AQUINO	0060	SIXTY
Control Total		⇦ Total of votes for Marcos and Aquino
FOR VICE PRESIDENT		
TOLENTINO	0066	SIXTY SIX
LAUREL	0067	SIXTY SEVEN
KALAW	0001	ONE
Control Total		⇦ Total of votes for Tolentino, Laurel and Kalaw

WE HEREBY CERTIFY that the candidates above have obtained in this precinct the number of votes set opposite their respective names

BOARD OF ELECTION INSPECTORS

Member

UNIDO Member

AFTER SIGNING PLEASE FILL IN DATE AND TIME OF RECEIPT

1. Poll Watcher	2. School Chairman NORAIDA ANDIG (Print name & Sign)	3. Municipal Courier (Print name & Sign)
Date FEB 7 86 Time 5:50 PM	Date FEB 7 86 Time 5:55 PM	Date FEB 7 86 Time 5:15 P.M.
4. Municipal Chapter Chairman	5. Provincial Courier (Print name & Sign)	6. Provincial Chairman/NHQ (Print name & Sign)
Date Time	Date Time	Date Time

7. Poll Watcher: Encircle one of the following according to instructions ⇨ A B C D

Please Explain why C or D ________

PRECINCT TALLY SHEET

Copy 1 - Provinci ANNEX
XLVII.2
Page 299

Province: LANAO DEL SUR
Municipality: BAYANG
Precinct Number: 6
0090

Barangay: BAYANG POBLACION
Number of Precincts under School Chairman: 6

RESULT OF COUNT	VOTES IN FIGURES	PRINTED VOTES IN WORDS
FOR PRESIDENT		
1. MARCOS	0029	TWENTY NINE
2. AQUINO	0053	FIFTY THREE
Control Total	82 ⇦	Total of votes for Marcos and Aquino
FOR VICE PRESIDENT		
1. TOLENTINO	0025	TWENTY FIVE
2. LAUREL	0027	TWENTY SEVEN
3.	0000	NONE
Control Total	0052 ⇦	Total of votes for Tolentino, Laurel and Kal...

WE HEREBY CERTIFY that the candidates above have obtained in this precinct th...

BOARD OF ELECTION INSPECTORS

NOAH PINAGAYAO

GARIPT RANDUMAS
... Member

SITTIENOR SARIPADA
Poll Clerk

ESTALIN J. CADAYONAN [redacted]
UNIDO Member

AFTER SIGNING PLEASE FILL IN DATE AND TIME OF RECEIPT

1. Poll Watcher	2. School Chairman	3. Municipal Courier
	NOAH PINAGAYAO	[redacted]
	Date FEB. 7 86 Time 3:48 PM	Date FEB. 7 86 Time 3:48 PM
4. Municipal Chapter Chairman	5. Provincial Courier	6. Provincial Chairman/NHQ
Date Time	Date Time	Date Time

Poll Watcher: Encircle one of the following, according to instructions ⇨ A B C D

Please Explain why C or D

015991

PRECINCT TALLY SHEET

Copy 1 - Provincia

Province	LANAU DEL SUR	Barangay	PAUAYONAN
City or Municipality	BAYANG	Number of Precincts under School Chairman	7
Precinct Number	7		
Number of Votes Cast	0053		

RESULT OF COUNT	VOTES IN FIGURES	PRINTED VOTES IN WORDS
FOR PRESIDENT		
1. Marcos	0025	TWENTY FIVE
2. Aquino	0026	TWENTY SIX
Control Total	51 ⇦	Total of votes for Marcos and Aquino
FOR VICE PRESIDENT		
1. Tolentino	0019	NINETEEN
2. Laurel	0030	THIRTY
	0001	ONE
Control Total	50 ⇦	Total of votes for Tolentino, Laurel and Kalaw

WE HEREBY CERTIFY that the candidates above have obtained in this precinct the votes set opposite their respective names.

BOARD OF ELECTION INSPECTORS

[illegible] MACALOROZ16	DIAMELS PITILAN
ALNIZDEN ALOYODAN KBL Member	USODAN AGRODIN UNIDO Member

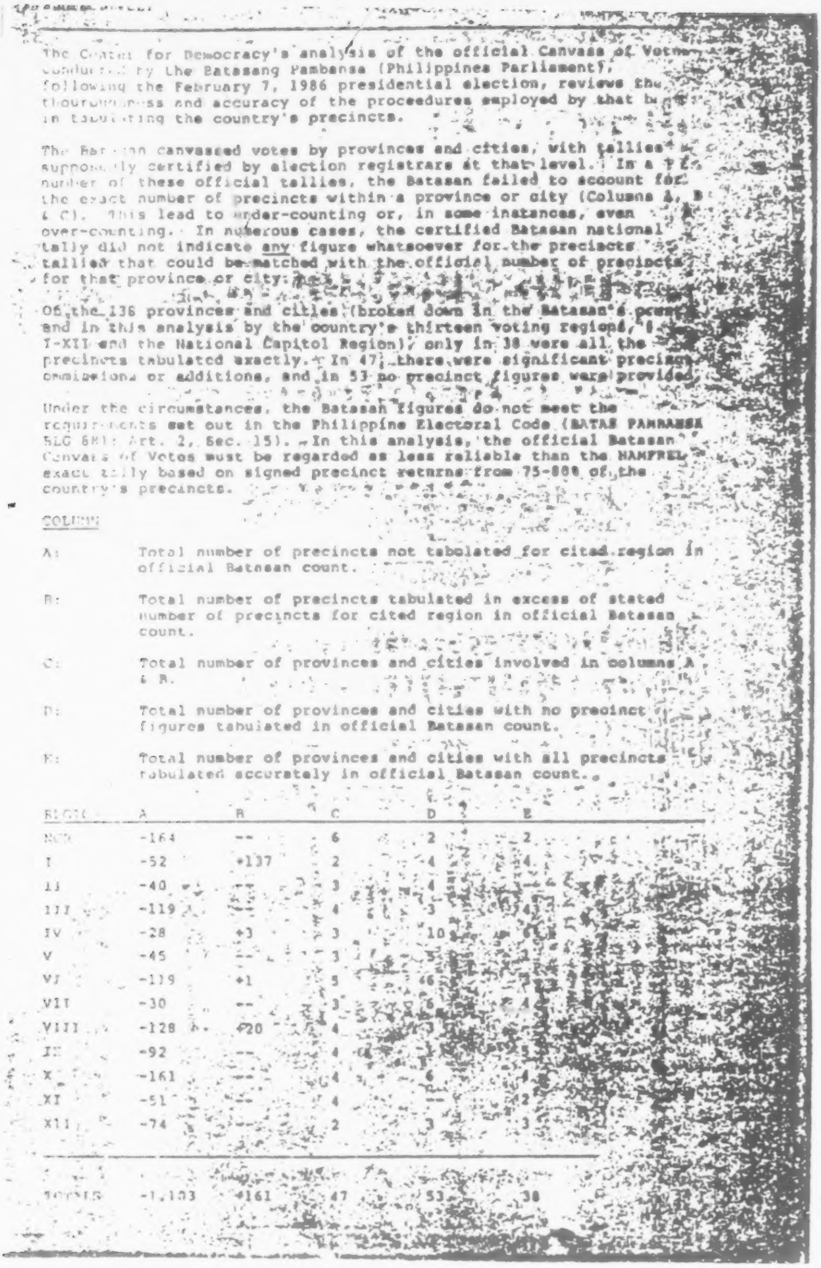
AFTER SIGNING PLEASE FILL IN DATE AND TIME OF RECEIPT

1. Poll Watcher	2. School Chairman		3. Municipal Courier	
Print name & sign	MACARTHUR MACALOROM		Print name & sign	
Date [illegible] Time 3:38 PM	Date FEB. 7 '86	Time 3:38 PM	Date FEB. 7 '86	Time 3.38 PM
4. Municipal Chapter Chairman	5. Provincial Courier		6. Provincial Chairman/NHQ	
[illegible]	Print name & sign		Print name & sign	
Date Time	Date	Time	Date	Time

Poll Watcher's Evaluation of the election according to ⇨ A B C D

Please Explain why C or D

015972



The Center for Democracy's analysis of the official Canvass of Votes conducted by the Batasang Pambansa (Philippines Parliament), following the February 7, 1986 presidential election, reviews the thoroughness and accuracy of the proceedures employed by that body in tabulating the country's precincts.

The Batasan canvassed votes by provinces and cities, with tallies supposedly certified by election registrars at that level. In a [illegible] number of these official tallies, the Batasan failed to account for the exact number of precincts within a province or city (Columns A, B & C). This lead to under-counting or, in some instances, even over-counting. In numerous cases, the certified Batasan national tally did not indicate any figure whatsoever for the precincts tallied that could be matched with the official number of precincts for that province or city.

Of the 136 provinces and cities (broken down in the Batasan's count and in this analysis by the country's thirteen voting regions, I-XII and the National Capitol Region), only in 38 were all the precincts tabulated exactly. In 47, there were significant precinct ommissions or additions, and in 53 no precinct figures were provided.

Under the circumstances, the Batasan figures do not meet the requirements set out in the Philippine Electoral Code (BATAS PAMBANSA BLG 881: Art. 2, Sec. 15). In this analysis, the official Batasan Canvass of Votes must be regarded as less reliable than the NAMFREL exact tally based on signed precinct returns from 75-80% of the country's precincts.

COLUMNS

A: Total number of precincts not tabolated for cited region in official Batasan count.

B: Total number of precincts tabulated in excess of stated number of precincts for cited region in official Batasan count.

C: Total number of provinces and cities involved in columns A & B.

D: Total number of provinces and cities with no precinct figures tabulated in official Batasan count.

E: Total number of provinces and cities with all precincts tabulated accurately in official Batasan count.

REGION	A	B	C	D	E
NCR	-164	--	6	2	2
I	-52	+137	2	4	4
II	-40	--	3	4	[illegible]
III	-119	--	4	3	4
IV	-28	+3	3	10	[illegible]
V	-45	--	3	5	[illegible]
VI	-119	+1	5	6	[illegible]
VII	-30	--	3	6	4
VIII	-128	+20	4	3	[illegible]
IX	-92	--	4	[illegible]	[illegible]
X	-161	--	4	6	4
XI	-51	--	4	--	2
XII	-74	--	2	3	3
TOTALS	-1,103	+161	47	53	38

REPUBLIC OF THE PHILIPPINES
COMMISSION ON ELECTIONS
MANILA

* * *

COMMISSION ON ELECTIONS
Manila
10:50
LAW DEPARTMENT
RECEIVED BY:
DATE & TIME: 2-15-86

PETITION TO DECLARE FAILURE
OF ELECTION IN CADIZ CITY,
NEGROS DEL NORTE

CASE NO. SPC 86-17

CORAZON C. AQUINO and
SALVADOR H. LAUREL,
Petitioners.
x---------------------------x

PETITION

PETITIONERS, by counsel, respectfully state that:

I. They are the candidates for President and Vice-President, respectively of the Dominant Opposition Party, the United Nationalist Democratic Organization (hereafter, "UNIDO") in the February 7, 1986 Presidential elections;

II. For causes that existed immediately before, during and after elections, there was a total and absolute failure of elections in the entire city of Cadiz, Negros del Norte, resulting in the denial of the free will of the electorate of Cadiz City;

III. That the failure of election was caused and characterized by the following circumstances, to wit:

A. Registration anomalies and failure and refusal of the COMELEC Registrar to effect the posting of the list of voters

1. On registration days of December 28-29, 1986, the UNIDO inspectors were not given their books wherein to copy the list of voters for 1986 so that most of them did not have any on election day. Most of the Chairmen of the Board of election inspectors refused to allow the UNIDO inspectors to copy the list of voters.

2. Notwithstanding the written request of the UNIDO representative in Cadiz City, Atty. Frances V. Guanzon, Atty. Agustin Desuyo, City COMELEC Registrar and acting Provincial Election Supervisor for Negros del Norte, did not entertain such request and could not be found in his office or at his residence.

3. Atty. Agustin Desuyo wilfully and deliberately withheld the instruction to the Chairmen of the Board of Election inspectors to post the list of voters in the precincts as required by the Omnibus Election Code. Lists of voters were posted only on election day and only in some precincts, resulting to the confusion among voters, many of whom were not able to vote because their names were not in their precincts.

B. Anomalies committed by the City Election Registrar who is also the Acting Provincial Election Supervisor showing his bias in favor of KBL

1. Atty. Agustin Desuyo deliberately absented himself from office and did not attend to election matters posed by the UNIDO between the periods from January 2, 1986 to January 23,

1986 and from January 25, 1986 up to February 9, 1986.

2. Atty. Desuyo deliberately failed and refused to furnish the UNIDO with a copy of the list of voters of Cadiz City despite written demands made by the UNIDO representative.

3. Atty. Desuyo deliberately refused to furnish UNIDO a certified list of polling places and precincts and their locations.

4. He illegally issued appointments of inspectors not nominated by the UNIDO representative, resulting in the ousting of the duly designated UNIDO inspectors from their precinct on the day of the election, who were replaced by men of the KBL. A copy of one of the illegal appointments issued by Atty. Desuyo is attached and made an integral part hereof and marked as Annex "1".

5. He unlawfully ordered the Chairmen of the Board of Election Inspectors that the ballot boxes in the barangays be brought to the City for counting, in gross violation of Section 206 of the Omnibus Election Code and COMELEC Resolution No. 1759. Affidavits of UNIDO inspectors attesting to this fact are attached hereto and marked as Annexes "2", "3", "4" and "5".

6. He unlawfully ordered the transfer of some precincts without notice to the UNIDO and without hearing, again in a violation of the Omnibus Election Code. Affidavits of UNIDO

inspectors attesting to this fact are attached and marked as Annexes "6", "7" and "8".

C. Fraud and terrorism on election day

1. Duly appointed UNIDO inspectors and watchers were forcibly ousted from their precincts by the Chairmen of the Board of Election Inspectors, with the help of armed men, on the basis of the illegal appointments signed by Atty. Desuyo, appointing other persons as UNIDO inspectors and watchers though not nominated by the UNIDO representative. An affidavit of a UNIDO inspector in support of this allegation is made an integral part and marked as Annex "9" and "9-A"

2. UNIDO inspectors and watchers who served in their precincts or refused to be ousted were intimidated by KBL leaders, government officials and policemen, as evidenced by affidavits made an integral part hereof and marked as Annexes "10", "11", "12", "13", "14" and "15".

3. The Chief of Police, with his armed policemen and CHDF's, terrorized the voters and supporters of the UNIDO, and in one barangay he cocked his gun at a student, as evidenced by an affidavit made an integral part hereof and marked as Annex "16"; Vice-Mayor Javier, who is a brother of the chief of police, beat up an UNIDO inspector in another barangay, as shown by an affidavit made an integral part hereof and marked as Annex "17".

4. Ballot boxes of the barangays were forcibly brought to the city for counting by policemen, CHDF's and armed men in plain clothes. UNIDO inspectors and watchers who opposed this transfer were intimidated and threatened to be killed, as shown by affidavits made an integral part hereof and marked as Annexes "18", "19" and "20".

5. The ballots in the ballot boxes which were transported from the Barangays by the Chairmen and armed men to the city, were counted without the presence of UNIDO inspectors and watchers who did not know where the ballot boxes were brought and who were not allowed to accompany the ballot boxes.

6. Some ballot boxes were stuffed with ballots in favor of the KBL candidates, as shown by an affidavit made an integral part hereof and marked as Annex "21".

7. Rampant vote buying was perpetrated by the KBL through the use of colored sample ballots and a stencilled letter in the handwriting of Gov. Armando Gustilo, whereby the voters, after voting for KBL, would get the chairmen of their precincts to sign and would get remuneration for his vote. A copy of the KBL sample ballot and the stencilled letter of Gov. Gustilo are attached and marked as Annex "22".

D. Failure of the Chairman of the City Board of Canvassers to Convene the Board within the period required by the Omnibus Election Code

1. Contrary to the Omnibus Election Code, the City Board of Canvassers was not convened at 6:00 p.m. of February 7, 1986. Attys. Frances V. Guanzon and Elvira Guanzon , UNIDO representative and watcher respectively, were at the cited place of canvassing, but Atty. Romeo Flores, Chairmen of the Board, could not be located, and when he was finally located after much searching, Atty. Frances V. Guanzon asked him to convene the Board; he refused, saying that City Fiscal Fabroz was not present. At 9:00 p.m., Atty. Flora was obliged by Atty. Guanzon to convene the Board, but the former ordered that the Board adjourn because of the absence of Fiscal Fabroz. During this time, the KBL representative in the Board was Mr. Guillermo Desuyo, a close relative of Atty. Desuyo, City COMELEC Registrar. The joint affidavits of Atty. Frances V. Guanzon and Atty. Elvira Guanzon is attached and marked as Annex "23".

2. As of the date of this Petition, the City Board of Canvassers has not been convened, and the UNIDO representative had to send a telegram to the COMELEC in Manila, as shown by a copy of the telegram marked as Annex "24".

E. Anomalies committed by the City Treasurer, Tomas Ypil

1. Mr. Tomas Ypil, City Treasurer, verified the election forms without due notice to the UNIDO representative, and failed to furnish the UNIDO representative with a list of the distribution of the election returns.

2. Election returns were distributed in violation of the provisions of the Omnibus Election Code as they were distributed the day before the election; and in some barangays such as Barangay Sicaba, the chairmen of the precincts did not have election returns; the UNIDO was given a copy of the election returns only at the City Hall, at about 8:00 in the evening of election day, February 7, 1986.

PRAYER

WHEREFORE, it is most respectfully prayed that this Honorable Commission declare a failure of election in Cadiz City, Negros del Norte, and to declare as null and void the purported results of the elections in the same city.

Your petitioners further respectfully pray that it:

1) Enjoin the Chairman of the Cadiz City Board of Canvassers from convening or proceeding with the canvassing;

2) Schedule and hold new elections in Cadiz City under the direct supervision of the COMELEC in Manila, and with the assistance of a police or Philippine Constabulary force from outside of the province of Negros del Norte;

It is finally respectfully prayed as a separate matter that this Honorable Commission conduct an investigation of the following persons:

3. Atty. Agustin Desuyo for his illegal acts narrated herein, and of Atty. Romeo Flora, Chairman of the City Board of Canvassers, for his wilful failure to convene the same Board;

4. City Fiscal Samuel Fabroz for wilfully absenting himself from the canvass;

5. The City Treasurer Tomas Ypil for his violation of the Omnibus Election Code as above stated.

Petitioners likewise pray for such other reliefs as may be just and equitable under the circumstances.

Manila, Philippines, February 12, 1986.

JOKER P. ARROYO and
FRANCIS E. GARCHITORENA

By:

FRANCIS E. GARCHITORENA
Counsel for Petitioners
2nd Floor, Zeta Building
191 Salcedo St., Legaspi Village
Makati, Metro Manila
PTR No. 8744115
1-22-86, Makati, Metro Manila
IBP O.R. No. 203795
11-13-85, Manila

VERIFICATION

I, ROWENA V. GUANZON, of legal age, after first being sworn in accordance with law, hereby depose and state that I have read the foregoing Petition and the contents hereof are true and correct of my own knowledge.

Makati, Metro Manila for Manila, February 14, 1986.

ROWENA V. GUANZON
Affiant

SUBSCRIBED AND SWORN to before me this 14th day of February, 1986, at Makati, Metro Manila, affiant exhibiting to me her Res. Cert. No. 5624636, issued on July 18, 1985, at Makati, Metro Manila.

JOVENCIO Y. FAJILAN
NOTARY PUBLIC
UNTIL DECEMBER 31, 1986
PTR No. 2753273
MAKATI, M.M., JAN. 7, 1986
TAN F2450-J3047-A-0

NOTARY PUBLIC

Doc. No. 282;
Page No. 57;
Book No. I;
Series of 1986.

COPY FURNISHED:

KILUSAN NG BAGONG LIPUNAN
Roxas Boulevard, Manila

REPORT ON ELECTIONS IN CADIZ, NEGROS DEL NORTE

PRE-ELECTIONS

The Chairman for NAMFREL-Cadiz Chapter, Fr. Manuel C Regalado requested for an appointment with the Cadiz COMELEC Registrar Atty. Agustin Desuyo for February 4, 1986 at 8:30 a.m. on February 2, 1986. On that appointed day and hour, Fr. Regalado was given the runaround by Atty. Desuyo. Only after a long search was Atty. Desuyo found at 9:30 a.m. The ID's for NAMFREL Cadiz pollwatchers were not signed by the registrar then because he requested for further requirements, thus another appointment was set between him and Fr. Regalado for the next day, February 5th. Atty. Desuyo did not meet the appointment and efforts to locate him on that day until late in the evening of February 6th, even through an intermediary, failed. Thus, an envelope containing instructions from COMELEC Regional Director Sarroza and an envelope from NAMFREL containing a letter from Negros del Norte Chairman Dr. Patricio Tan, a copy of the telegram for transmission from Director Sarroza regarding, among other things, the authorization of NAMFREL Precinct representatives, were delivered to his house at 11:10 p.m. and received by his daughter. (Acknowledgment receipt attached).

ELECTIONS: VOTING PERIOD

NAMFREL volunteers were met at their respective precincts with an order from Atty. Desuyo indicating that the NAMFREL accreditation for the whole of Negros del Norte was revoked (effective February 6, 1986) due to the partisanship of Msgr. Antonio Fortich, Dr. Patricio Tan and Atty. Juan Hagad. (Note that the latter is not even a NAMFREL member). Thus, NAMFREL volunteers were not able to exercise their pollwatching responsibilities inside the precincts but had to maintain the 30-meter distance. (The 30-meter distance was indicated with signs).

Voters List. In almost all of the 135 precincts, complaints were abuddant regarding voters who were not able to vote due to the disappearance of their names in the voters lists. Yet, in most of the precincts, too, the number of voters exceeded that 300 requirement-ranging from 370 to 530 voters per precinct.

Ballot Boxes. Ballot box colors in the area ranged from gold to green to grey (the color of galvanized iron). The grey ones were of the old type without any transparent portion, while some of the gold ones had cardboards or bond paper covers over the transparent portions. Only approximately 45 ballot boxes had the transparent portions opened, and these belonged mostly to the voting centers in the city proper.

Restrictions. Most NAMFREL volunteers were restricted from taking pictures either verbally, or by blocking of their views by several people who timed themselves to stand or sit in front of the volunteers. One NAMFREL volunteer/ was also shouted at after taking a photograph.

Unauthorized Persons in Restricted Areas. Military men in uniform and fully armed were present in most polling places, within 30 meters from the precincts. There were also at least 15 men in the precinct when Gov. Armando Gustilo camd in to vote. Various other persons also were seen inside the precincts, among them men in "We Love Armin (Gustilo)" T-shirts, some of which were seen handing envelopes to various personnel inside the precincts. Barangay Captains (specifically at Brgy. Bonifacio and Cabahug) were also weaving within the polling site, and Vice Mayor Javier in Brgy. Burgos.

Irregularities. Various forms of cheating and irregularities were seen at the polling places, among these: vote buying in exchange for money or rice, use of non-indelible ink (on some occasions the ink was placed in three different containers, one of them a marked one), lanzadera, overcrowding of precincts, open voting, coded ballpen colors (some voters, including NAMFREL volunteers, were obliged to use particular ink colors), open voting, open booths, teachers filling in ballots and candidates' names not written on the board. Several persons also wearing Marcos-Tolentino shirts were spotted.

Voting Process. Most voting, except for a maximum of a 45 minute delay, started within the first 30 minutes after 7:00 am. Most also ended at 3:00 pm except for one barangay (Bonifacio) wherein voting terminated at 12:30 pm when the ballot boxes were removed by armed men a loaded onto a truck. Some precincts (Hiyang-Hiyan, Alimatok and a portion of Caduha-an)were transferred without prior notice, thus causing some voters to be confused with regard to the location of their precincts.

Ballot Box Transport. NAMFREL volunteers of Brgy. Bonifacio attempted to follow the transport of their ballot boxes at noontime, but they were prevented by doing so by the armed men who threatened to shoot them if they did. There were also several obvious attempts to delay the entourage of those who wanted to follow their ballot boxes. One vehicle was blocked by a slow moving jeep (from Brgy. Burgos) while the vehicles which followed ballot boxes from Brgy. Caduha-an were blocked off by several cars, one of them even being edged off the road onto the shoulder, and finally literally closing the gate of Philippine Normal College (where some of the ballot boxes were delivered) to prevent the pursuit. Although voting at Brgy. Luna was peaceful, an order was produced that there should be no precinct level counting in the said place. When the people contested the order, some military reinforcement came to the place, and about 20 armed men, poised with their firearms demanded that the ballot boxes be moved to the city proper.

Apparently to create confusion, although the COMELEC Registrar had already previously informed the NAMFREL Chairman that the canvassing was to be done at the City Hall, ballot boxes were delivered to three different places: City Hall, Philppine Normal College (main site), and to an unfinished building also at the back of Philippine Normal College.

Canvassing. Only approximately 30 percent of the precincts had precicnt level counting. Most of these belong to the precincts within the city proper. There were blatant attempts to prevent the public, especially NAMFREL volunteers from witnessing the cnavassing. Of the ballot boxes delivered to the City Hall, a few NAMFREL volunteers succeeded in entering, posing as voters of the Barangay who wished to witness the canvassing. Shortly after, Gov. Armando Gustilo came into the room and demanded to know if there were any NAMFREL volunteers in the room. When the volunteers acknowledged themselves, the Governor said, "Out. Your NAMFREL accrediction has been revoked." The entrance of more armed men into the room obliged them to leave the place. Other NAMFREL volunteers whose ballot boxes were delivered to the CITY HALL were prevented from entering by armed men.

Some of the ballot boxes delivered to the PHilippine Normal College were also removed from the place by tricycles. At the unfinished building behind it, some ballot boxes were also delivered, but entrance by others was first prevented due to the presence of some armed men. Most of the ballot boxes in this particular building were delivered either by foot or by tricycle. Later, upon the insistence of NAMFREL and the presence of foreign journalists, entrance into the building was allowed. In this building, however, and also in the main building of the college, there was a classroom each which was locked, and with windows fully closed that it was impossible to witness what was going on inside. Some ballot boxes which came from this room were brought out to the rooms where canvassing started. These two rooms were locked for approximately four hours. A COMELEC official was asked on the goings-on in the room, but he denied any knowledge, but neither would be cause the doors to be opened. (A few blurred shots of the room's interior are enclosed, taken by a camera lens placed on a broken pane at the topmost panel of the window). The photo shows an open ballot box and a book being written on, similar in size to the voters registry book. It should be noted that ballot boxes from a vehicle which had been tailed from the Barangay site (where precinct level counting was not conducted) by NAMFREL volunteers all the way down to the school site at the poblacion, were placed inside one of the closed rooms. Three and a half hours later, the room's doors opened and about 40-50 people trooped out of the closed room.

It was after these dubious actions that NAMFREL decided to pull-out from the farcical canvassing process, rather than give credence to an exercise which was blatantly cheating.

Threats and Intimidation. In addition to what has already been mentioned, it was observed, especially in the evening during the "canvassing" period at the Philippine Normal College main building and at the unfinished building at the back, that armed men began to make themselves more visible and their presence felt. Even a simple question to man leaving one of the closed rooms elicited a brusque response that almost triggered an argument between the Cadiz Chairman and himself, in the meantime that man purposely dropping his cigarette's ashes on the co-chairman's arms.n That same man later hit a NAMFREL volunteer's back with his fist. Shortly thereafter, the co-chairman mistakenly approached a vehicle full of men, thinking it was one of the NAMFREL vehicles. As she looked into the pick-up's window a camera's flash bulb activated, and a loud shouting voice asked, in the dialect, "What are you doing," while pointing a gun at her. She explained that she thought it was somebody else's car, and still the shouting voice boomed back, gun still pointed, "This is my vehicle, what do you have to say about it." With a

"Well, sorry!" she left them.

Later in the evening, two NAMFREL vehicles were surrounded by vehicles containing armed men and approximately ten armed men poiting their firearms at the vehicles and passengers. The butt of a gun was placed at the driver's back while the vehicles were searched for arms. Three hitchikers were made to raise their arms in surrender, while one of them was kicked at the back with claims that he was an NPA. The NAMFREL volunteer was berated, shouted at and tagged as a Communist and supporter of the NPA's. He was also accused of carrying firearms, of which he had none. He was brought to the Police Station where his Radio Transceiver, the license of which was not with him, was confiscated. The Receipt of the radio (attached) also claimed that his pick-up was spotted within the premises of the Philippine Normal College, under suspicious movements. (Incidentally, this was one of the vehicles which was used to tail a truck carrying some ballot boxes, while the other car searched for weapons belonged to the co-chairman. That car was used two days before in Cadiz City in the search for the COMELEC Registrar, and, while parked in a Cadiz barangay in the morning of the elections, was looked over several times by the driver of a vehicle which was also present during the evening watch at the college).

Even the day after elections, when some of the NAMFREL volunteers stayed behind to do further work, walked through the Cadiz streets, they were consistently followed and shadowed, perhaps as a form of intimidation.

POST ELECTIONS

Special Public Affairs portions have been shown on television featurng Negros del NOrte, specifically Cadiz, alledging that Cadiz was terrorized by NAMFREL over there, and trouble came to Cadiz on election day only because of the presence of NAMFREL. It should be noted however, that most of the Cadiz volunteers were young people and women who did not possess any firearms with them, and were incapable of terrorizing.

Submitted by:

MELLIE L. KILAYKO
Co-chairman
NAMFREL - Cadiz City

February 11, 1986

Republic of the Philippines
COMMISSION ON ELECTIONS
Manila

In the matter of the
prompt submission [illegible]
evidence to substa[illegible]ate
complaints or reports of
political parties.

Present:

SAVELLANO, Victorino A.,	Ch.,
OPINION, Jaime,	Com.,
BACUÑGAN, Froilan M.,	Com.,
FELIPE, Ramon H. Jr.,	Com.,
MARQUINEZ, Quirino A.,	Com.,
ORTIZ, Mario D.,	Com.,
GURO, Mangontawar B.,	Com.,
AGPALO, Ruben E.,	Com.,
LAYOSA, Jaime J.,	Com.,

x - - - - - - - - - - - - - x

Promulgated: 13 February 1986

RESOLUTION NO. 1775

WHEREAS, reports of incidents in the February 7, 1986 election have been submitted to the Commission, some of which have been made basis of formal complaints which are now under investigation;

WHEREAS, we consider these incidents material to the canvassing of votes cast for President and Vice-President now being conducted by the Batasang Pambansa as they have to do with the voting process and the counting of votes or the canvassing of results of the last election;

WHEREAS, both the Kilusang Bagong Lipunan (KBL), the administration party, and the United Nationalist Democratic Organization (UNIDO), the opposition party, have submitted reports or filed the complaints alleging anomalies and other irregularities in the past elections;

WHEREAS, the Kilusang Bagong Lipunan has reported or complained about the following incidents:

1. The pattern and conspiracy of fraud and terrorism committed by the communist new people's army and the

opposition party in known bailwicks of the administration party in Camarines Sur;

2. The pattern of intimidation and terrorism by MP Edmundo Cea of Camarines Sur, as sworn to by Rosario Beloro y Orbino de Puerta, chairman of the board of election inspectors of Precinct No. 1, barangay Abo (Lourdes) Tigaoan, Camarines Sur. The other witnesses are Florencio Ibalin, Juanito C. Boncodin, Bienvenido I. Buloan, Jr., Felix C. Bonite, Crescenciano Brequel and Melda P. Ret;

3. The prevention of voters from exercising their right of suffrage in the precincts along the boundary of Albay and Camarines Sur by the Namfrel, the Communist New People's Army and the Opposition;

4. The massive vote-buying of the voters in the Poblacion of Panitan, Capiz, whereby the chairman of Barangay Aglowny, Generoso Dirramas, bought the voters at the rate of ₱100 to ₱50 and herded all of those who were bought to the precinct to vote for the opposition candidates, notwithstanding the objections of Romulo Dorado and Fe Demontaño;

5. Snatching of ballot boxes by the Communists New People's Army (NPA) in precinct No. 9, Mambusao, Capiz, which malicious act was supported by the NAMFREL and the Opposition. Thelma Lepardo, Josefa S. Leal and Eduardo Lerona, admitted members of the NPA, executed affidavits stating that ballot boxes in Manbusao, Capiz, were snatched by the NPA. Two active members of the NPA, Saldio Bernal and Noriel Conde, executed affidavits that they were ordered by the Communists or NPA to snatch ballot boxes in areas where the majority party is admittedly strong;

6. In Eastern Samar, more than one-half of the registered voters for the majority party were prevented by the

Communists to vote. Eastern Samar has 134,528 registered voters;

7. In Antique, about 30,000 registered voters were likewise not allowed to vote by the Communist NPA, the Opposition Party and NAMFREL;

8. In Nueva Ecija, according to MP Diaz, around 90,000 voters for the majority party could not vote because they were prevented/misled by the Opposition, with the active participation and assistance of Namfrel and Communist (NPA);

9. In Dumalag, Capiz, Efren Gascon, Rufino Fresnido, Remedios Pajardo and Miguel Pano executed affidavits stating that they could not vote and campaign because they were threatened and coerced by the Communist's New People's Army and that should they go out and vote or campaign for the majority party, the Kilusang Bagong Lipunan (KBL), harm would befall their family;

10. Member of Parliament Luis Villafuerte or Camarines Sur was charged for robbery and/or theft for having hijacked a government vehicle containing medicines for distribution to rightful beneficiaries. He brought the government vehicle to the radio station and appropriated the medicines there and personally delivering medicines to people he desires.

11. Member of Parliament Edmundo Cea also of Camarines Sur, was charged for violation of the Omnibus Election Code together with his body guards for having entered a polling precinct in violation of the Omnibus Election Code. This has been filed with the Ministry of Justice which has been deputized by the Comelec to handle violations of the Omnibus Election Code;

12. A nun did the tallying of the votes in the Iloilo Provincial Capitol, as part of an alleged pattern of mob rule perpetrated by the NAMFREL and the Opposition. Ballot boxes were even transported by them to the Municipal halls in violation of the Omnibus Election Code;

13. As a pattern of the illegal activities of the Communist New People's Army (NPA) and the NAMFREL, representatives of NAMFREL were reported to have handled ballots inside voting centers and participated in the functions of the board of election inspectors, in blatant violations of the Omnibus Election Code;

14. The criminal activities of the Communist New People's Army with the aid and support of the Opposition and the NAMFREL led to the death of Mayor Lorenzo Padua of Goa, Camarines Sur, and is aggravated by the systematic sending of death threats to rabid and strong supporters of President Marcos, such as Mayor Nemesio Yabut of Makati, Metro Manila and Mayor Joseph Estrada of San Juan, Metro Manila, and other mayors of towns where the President is admittedly strong, as reported in Times Journal of January 31, 1986;

15. The NAMFREL violations have been reported repeatedly in daily newspapers in Manila as shown by pictures of nuns and Namfrel representatives in the polling precincts doing the tallying of votes, as published in the Daily Express;

16. The Communist New People's Army in their determined effort to interfere in the elections coerced and intimidated voters who are supporters of President Marcos as evidence by the killing of three (3) members of the Kilusang Bagong Lipunan (the majority party), namely, Barangay

Captain Eleuterio Calubat of Calbiga, Samar, Leonardo Jakusalem of Zamboanga del Norte and Pedro Llabore of Albay;

17. Member of Parliament Jose Zybiri, a KBL leader of Bukidnon in Mindanao, and a staunch supporter of the administration (KBL) aborted the ambush that was attempted on his life by the NPA when his security escort was able to fire warning shots to the group that were set up for them along the highway in Pangalpukan town in Bukidnon, a southernmost province in the island of Mindanao, as reported in the People's Journal issue of Sunday, February 2, 1986;

18. In Muntinglupa, Metro Manila, the KBL complained that 29 election returns were excluded from the canvass by the district board of canvassers because the KBL representative and his lawyers were prevented from entering the canvassing room by priests, nuns, and NAMFREL members;

19. Lanao del Sur MP Omar Dianalan was accused of terrorizing voters and stopping the voting in Precinct No. 4 of Barangay Bacolod Chico in Marawi City. Accused with Dianalan in a complaint filed by the KBL chapter of Lanao del Sur and Marawi City were Bantog Maruhom a policeman of Marawi City Hadji Solaiman Wato, husband of Dianalan's aunt and several other persons identified as his bodyguards;

20. One, Mr. Contreras of the town of Batangas, Batangas, was found distributing genuine ballots to the voters in the precinct with the names of Aquino and Laurel already written in the ballots, and they were asking the voters only to sign and put their thumb marks;

21. NAMFREL representatives occupy most of the places for the members of the Board of Inspectors and those voting whereas the law states that only the members of the Board of Inspectors and those voting can enter the polling places.

WHEREAS, there are reports, although not formally filed, from the ranks of the Opposition alleging that:

1. There are "ghost precincts" in Southern Leyte in the Visayas and in Lanao del Sur in Mindanao, without however identifying the location of such precincts;

2. There are also complaints to the effect that the KBL have been buying votes without identifying where such vote-buying took place and the

3. There is a complaint to the effect that on February 11, 1986, Ex-Governor Evelio Javier was shot to death by a policeman allegedly allied with the administration. Initial investigation of the incident showed that before the shooting of former Governor Javier he had personally slapped Capt. John Paloy of the PC-INP, humiliating him before his relatives and his friends and that this matter is under active investigation by the Philippine Constabulary and the JAGO of the Armed Forces;

4. At the same time, there is news story to the effect that Capt. John Paloy was ordered detained by PC-INP Director General Lt. Fidel V. Ramos on suspicion of having participated in the killing of the former governor.

NOW, THEREFORE, this Commission hereby RESOLVES to:

1. Require every political party or person who has any complaint that will materially affect the result of the February 7, 1986 elections to immediately submit to this Commission the evidence to support or substantiate such complaint;

2. Should any such complaint be substantiated as to materially affect the integrity of the election returns or the certificate of canvass involved, to recommend to the Batasang Pambansa at the opportune time, the exclusion of such return or certificate from the official canvass of votes for President and Vice-President now being undertaken by that body; and

3. Request the political parties or persons concerned to refrain from airing their complaints to the media before this Commission shall have acted on such complaint so as not to generate political animosities.

SO ORDERED.

(SGD) VICTORINO A. SAVELLANO
Chairman

(SGD) JAIME OPINION
Commissioner

(SGD) FROILAN M. BACUÑGAN
Commissioner

(SGD) RAMON H. FELIPE, JR.
Commissioner

(SGD) QUIRINO A. MARQUINEZ
Commissioner

(SGD) MARIO D. ORTIZ
Commissioner

(SGD) MANGONTAWAR B. GURO
Commissioner

(SGD) RUBEN E. AGPALO
Commissioner

(SGD) JAIME J. LAYOSA
Commissioner

BREAKDOWN OF CASUALTIES (KILLED)
As of 18 February 1986

Dec. 6 - Feb. 18
Only election-related incidents

Gov't Armed Services Casualties

PC	- - - - -	none
INP	- - - - -	5
OTHER AFP SVCS	- - - -	2
CHDF	- - - - -	3
TOTAL	- - - - -	10

Civilian Casualties

Election Officials	- -	2
Government Officials	-	22
Others	- -	*55
TOTAL	- - - - -	78

Enemy casualties

subversive terrorist	-	2
GRAND TOTAL	- - - - -	90

**KBL	- - - - -	33 +1 =34
UNIDO	- - - - -	25
OTHER PARTY	- - - - -	30
TOTAL	- - - -	88
+ 2 elec offls		2
		90

** KBL and UNIDO including others are only extra classification of aforementioned casualties.

LIST OF CASUALTIES (KILLED)
As of 18 February 1986

NAME	NATURE OF INCIDENT - TIME AND PLACE	STATUS	REMARKS
Jesus Miranda	Shooting - Pob. Sta Rita, Pampanga - 11 Jan 1986	UNIDO	Civilian
Renato Santos	-do-	UNIDO	Civilian
Alberto Briones	Ambuscade - So. San Agustin, Brgy Odonnell, Capas, Tarlac - 13 Jan 1986	UNIDO	Civilian
Jeremias de Jesus	-do-	UNIDO	Civilian
Andres Borromeo	Killing - Talisay, Cebu - 20 Jan 1986	Undet	Talisay, Sangguniang Bayan Member
Martin dela Merced	Killing - Morasgaray, Bulacan - 21 Jan 1986	Undet	Civilian
Rolando Esquivel	Killing - -do-	UNIDO	Civilian
Osias Ora	Killing - Castillejos, Zambales - 21 Jan 1986	Undet	Civilian
Leonardo Legaspi	Killing - Peñaranda, Nva Ecija - 11 Jan 1986	UNIDO	Civilian ldr
Jaime Andaya	Killing - Villasis, Pangasinan	KBL	Civilian
Alejandro Abutog	Killing - Brgy Ulayon, Villareal, Western Samar - 10 Jan 1986	KBL	Brgy Captain
Raymundo Javellana	Killing - Malate, Manila - 23 Jan 1986	UNIDO	Civilian
Policarpio Pondolia	Ambuscade - Lumanit, Midsalip, Zambo Sur - 24 Jan 1986	KBL	CHDF
Domingo Divide Jr	Killing - Danala, Botolan, Zambales - 26 Jan 1986	UNIDO	Brgy Captain
Noel Lopez	Killing - Pantar, Lanao Norte - 26 Jan 1986	KBL	CHDF
Munitar Durol	-do-	KBL	Civilian
Hadji Ijura Ali	Killing - Pantar, Lanao Norte - 26 Jan 1986	KBL	Civilian
Roberto Sefuejo	Killing - Panabo, Davao Norte - 24 Jan 1986	KBL	Brgy Captain
Anastacio Almario	-do-	KBL	Civilian
Vicente Guzano	Killing - Brgy Alug, Aurora, Zambo Sur - 22 Jan 1986	KBL	Brgy Captain
Ernesto Lanorias	Killing - Brgy Mapolang, Josefina, Zambo Sur - 22 Jan 86	KBL	Brgy Captain

2

NAME	NATURE OF INCIDENT - TIME AND PLACE	STATUS	REMARKS
22. Pepito Caballero	Killing - [illegible], Zambo Sur - [illegible] Jan 86	KBL	Civilian
23. [illegible] Caballero	-do-	KBL	Civilian
24. Jaime Deligdig	-do-	Undet	Civilian
25. Randy Abong	-do-	Undet	Civilian
26. Claudio Rabosa	-do-	Undet	Civilian
27. Lolong Deligdig	-do-	Undet	Civilian
28. Lorenzo Padua	Killing - Tacawla, Goa, Camarines Sur - 30 Jan 86	[illegible]	Mayor
29. Romualdo Bedines	Killing(Kidnapping)-Villaverde, Nva Vizcaya 2 Jan 86	KBL	Mayor
30. Victoriano Bautista	Killing -Las Piñas, Metro Manila	UNIDO	Civilian ldr
31. Pat Renato Caisan	Killing - Hda Dorotea, Brgy Kapitan Ramon Silay City	Comelec Escorts	INP
32. Pat Juancho Medina	Killing - Hda Dorotea, Brgy Kapitan Ramon Silay City	Undet	INP
33. Ricardo Padua	-do-	KBL	Civilian
34. Dominador Nepomuceno	-do-	KBL	Civilian
35. Teresita Hanar	Killing -Oraga, Albay -31 Jan 1986	Election Offl	Teacher
36. Jaime Mediavillo	Killing -Oraga, Albay - 31 Jan 1986	Undet	Civilian
37. Ruperto Tumaliuan	Killing - Bayo, Igui, Cagayan	KBL	Brgy Captain
38. Rodolfo Baso	-do-	KBL	Civilian
39. Jose Loggia	Killing -Malabo, San Mateo, Isabela -(No time)	KBL	Brgy Captain
40. Eleuterio Cabuhat	Killing - Calbiga, Samar [illegible]	KBL	Brgy Captain

41. Leonardo Jacosalem	Killing - Zamboanga Norte - 29 Jan 86	KBL	Brgy Captain
42. Pedro Llacaza	Killing - Albay - 29 Jan 1986	KBL	Brgy Captain
43. Carlito Pamplona	Missing Tayum, Dav Ote - 29 Jan 1986	KBL	Civilian ldr
44. Mamerto Banghulot	Killing - Labangan, Zambo Sur - 4th wk 86	Undet	Civilian
45. Virgilio Banghulot	Killing - Labangan, Zambo Sur - 4th wk 86	Undet	Civilian
46. Jiyais Ambucay	Killing - Ibajay, Aklan	UNIDO	Civilian
47. Aurelio Vallari	Killing - San Antonio, Nueva Ecija	KBL	Brgy Captain
48. Biocoro [illegible]	Killing - Manila	Undet	Civilian
49. Rogelio Coloma	Killing - Bugey, Cagayan - 5 Feb 86	UNIDO	Civilian ldr
50. Alfredo Salaniang	Killing - 3rd Ave., Caloocan City	UNIDO	Civilian
51. Joel dela Cuesta	-do-	UNIDO	Civilian
52. Augusto Palmero	Killing - Lucena City - 5 Feb 86	KBL	Civilian ldr
53. Pat Victoriano Origay	Killing - Cagayan	Comelec Escort	INP
54. Pat Jeoffry Labadia	- do -	- do -	INP
55. Melchor Talinagan	- do -	Undet	Civilian
56. Rodolfo Mallorca	Killing - San Enrique, Iloilo - 3 Feb 86	KBL	Sangguniang Bayan
57. (FNU) Kerali	Killing - Bataiso, Bataan - 6 Feb 86	KBL	Brgy Captain
58. Honorio Usogo y Padua	Killing - Taodinan, Albay - 7 Feb 86	Undet	Civilian
59. Artemio Coquias	Killing - [illegible], Pulong, [illegible], Pamp - 7 Feb 86	KBL	Civilian
60. PA Enlistedman	Ambuscade - Mabuhay, San Isidro, Northern Samar - 7 Feb 86	Undet	PA
[illegible]	[illegible]	[illegible]	[illegible]

61. J[illegible] Salgado	Shooting - Brgy Tongean, San Mariano, Morong, Zambo Sur	KBL	Brgy Captain
62. Pudita Col[illegible]	Killing - Sinacaban, Misamis Occ - 6 Feb 86	[illegible]	Regional [illegible]
63. Lucinor Avanceña	- do -	- do -	Civilian
64. Unidentified	Killing - Sorsogon, Sorsogon - 7 Feb 86	Undet	Civilian
65. Unidentified	- do -	Undet	Civilian
66. David Sobuyo	Killing - Davao - 7 Feb 86	Undet	Civilian — UNIDO
67. Moran Lagaran	Killing - Brgy Lasang, Asuo, Davao Sur 6 Feb 86	KBL	Brgy Captain
68. Unidentified ST	Ambuscade - Brgy Bacumin, Sangcanga, Davao Dr - 7 Feb 86	Undet	[illegible]
69. Unidentified ST	- do -	- do -	[illegible]
70. EP (SA)	Encounter - Brgy San Antonio, Tandag, Sur	Undet	PA
71. Artemio Fernandez	Killing - Tacloban Complex Office - 6 Feb 86	UNIDO	Civilian
72. Pat Sergio Castillo	Killing - Tacloban City - 7 Feb 86	Undet	INP
73. Felipe Gusaca	Killing - Tigao, Cortes, Surigao Sur 6 Feb 86	KBL	Civilian Ldr
74. (FNU) Castañeda	Killing - Ramon, Tarlac	Undet	CHDF
75. Americo Ponce Jr	Killing - Mambusao, Capiz - 7 Feb 86	Undet	[illegible]
76. Leonido Monticalvo	Killing - Barona, Buhen, [illegible] 7 Feb 86	KBL	Brgy Captain
77. [illegible] Abangan	Killing - Tubod, Pinglanilla, Cebu 8 Feb 86	Undet	Brgy Captain
78. Wenceslao Gonzaga	- do -	Undet	Brgy Captain
79. Unidentified	Killing - Danalo, Betelan, Zamboanga 26 Jan 86	UNIDO	Civilian

[illegible] : Killing - Cagayan de Oro City - [illegible] : : Civilian
[illegible] Villanueva : Killing - San [illegible] City, South [illegible] : : Civilian
[illegible] Tolibas : Killing - Ugarte [illegible], [illegible] - [illegible] : : Civilian
[illegible] Tamdang : Killing - Malabon, Metro Manila - [illegible] : : Civilian
[illegible] Evelio Javier : Killing - San Jose, Antique - 11 [illegible] : : Civilian
85. Francisco Lurilla : Killing - Diffun, Quirino - 10 Feb 86 : UNIDO : Civilian
86. Fernando Pastor Jr : Killing - Diffun, Quirino - 10 Feb 86 : UNIDO : Civilian
87. Narciso Cainglet : Killing - Moncada, Tarlac - 13 Feb 86 : UNIDO : Civilian
88. Melanie Bumanglo : Beheaded - Diffun, Quirino - unspecified : UNIDO : Civilian
89. Marilyn Bagnis : -do- : UNIDO : Civilian
90. Marilyn Sanggoon : -do- : UNIDO : Civilian
91.

RECAPITULATION OF ELECTION RELATED INCIDENTS and CASUALTIES

FOR PERIOD FROM 08 DEC 85 TO 1[illegible] Feb 86 (BY REGIONS)

REGION	NR OF INCIDENTS	GOVT ARMED SVCS CASUALTIES				SUB TOTAL	CIVILIAN CASUALTIES					SUB TOTAL	ENEMY CASUALTIES			SUB TOTAL	TOTAL
		INP	PC	OTHER AFP	CHDF		ELECTION OFFICIALS	OTHER GOVT OFFICIALS	KBL*	UNIDO*	OTHERS		STs	MNLF	OTHERS		
NCR	70								/ 3	6 / 4	7 / 11	7 / 11					7 / 11
1	7							2	2		1	3					3
2	17	2				2		3	4	7	8	11					13
3	61				1	1		3	4 / 3	6 / 1	10 / 11	13 / 11					14 / 11
4	18							1		1 / 2	/ 5	1 / 5					1 / 5
5	62		/ 1			/ 1	1	3	5	3	6 / 1	10 / 1					10 / 2
6	26	2				2		1 / 1	2	2	5	6 / 1					8 / 1
7	10							2	1			2					2
8	19	1 / 2		1 / 2		2 / 4		2	2			2					4 / 4
9	17				1	1		4	7		8 / 2	12 / 2					13 / 2
10	9							2	2		3	3					3
11	25	/ 1	/ 2	1 / 1		1 / 4	1	1	4		3 / 6	5 / 6	2			2	8 / 10
12	7				1	1			2		2	2					3
TOTAL	326	5 / 3	/ 3	2 / 5	3	10 / 11	2	24 / 1	36 / 6	23	53 / 36	79 / 37	2			2	91 / 42
PREVIOUS ELECTION YEARS TOTAL																	
1984		7 / 3	23 / 17	42 / 17	5 / 10	77 / 49	4 / 1	- / -	8 / 1	- / -	44 / 19	53 / 21	24** / -	- / -	- / -	24	[illegible] / 7[illegible]
1981		19 / 8	32 / 8	10 / 14	14 / 6	79 / 36	- / -	- / -	- / -	- / -	28 / 19	29 / 19	- / -	- / -	- / -	- / -	108 / 55
1980		1 / 13	- / 1	- / -	8 / -	8 / 14	- / 2	- / -	3 / 6	- / -	63 / 388	66 / 396	- / -	- / -	- / -	- / -	74 / 410

Noted by: COL PEDRO B YANES MNSA (PC)

Recorded by: CAPT JOSE MARCELO PC

LEGEND:

▱ — KILLED (upper figure)
▱ — WOUNDED (lower figure)

* KBL and UNIDO (including other Opposition) are extra classification whose figures are already included under the columns of civilian casualties and therefore shall not be added in the total to prevent double accounting.

** 24 STs were killed during [illegible] encounter on Election day.

RECAPITULATION BY NATURE OF INCIDENTS

BY REGION AS OF 180800 Feb 86

INCIDENTS	REGIONS NCR	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL	COMPARATIVE TOTALS ELECTIONS 1980	1981	1984
BALLOT BOX SNATCHING	4		3	9	2	35	9		3	2	1	10	4	84	16@	83	763
AMBUSCADES				1		2	2		3	2	2	4		18	-	23	19
HARASSMENTS/THREATS	40	2	2	11	7	6	6	3		2	2			81	129	31	66
KIDNAPPING	1		1			1		1				2		6	-	5	2
BOMBING	2			1	1					2			6		25	-	3
DISARMING					1								1		-	-	-
ARSON			1	1				1						3	1	4	2
KILLING	4	1 2	3	9	2	8	3	2	3	3	2	3	1	1 53	8	24	30
SHOOTING/ILLEGAL DISCHARGE OF FIREARMS	11	2		6	1	2	1	1	1	1	1	1	2	30	@ @	-	-
RAIDS/ATTACKS ON PLACES						1				2	1	2		6	1	6	6
SNATCHING OF ELECTION MATERIALS	1				1	1	2			1				6	-	-	-
OTHERS	7	1	3	3	3	6	1	2	3			1	2	34	-	2	27
TOTAL	70	1 7	17	61	18	62	26	10	19	17	9	25	7	1 328	180	173	918

Score for today

Running total starting first incident (FROM 8 DEC 85 TO DATE)

@ INCLUDES SNATCHING OF ELECTION MATERIALS

@ @ INCLUDED IN HARASSMENT

melchor p. aquino

The Lugar mission

SENATOR Richard Lugar, chairman of the potent US Senate committee on foreign relations, is due shortly at the head of a big delegation to observe the presidential election.

According to a Reuter dispatch from Washington, the Philippine government "had made the visit conditional on an official nomination by President Reagan."

The same Reuter story has it that President Reagan gave the green light to Senator Lugar to lead an "official US delegation" to the Philippines to observe next Friday's election.

The Lugar mission is, unfortunately, freighted with a fixed bias and a captious attitude. By his own confession, several members of his own committee "have strong doubts as to the political will of the Marcos government to allow a genuinely free and fair election." Also, Senator Lugar admits that he harbors "significant reservations about the present course of the campaign."

Curiously enough, protracted intervention in Philippine internal affairs has not yielded enough knowledge to enable Lugar and company to spell out the criteria for US observation of the presidential election. It is to be expected, in any event, that the oft-repeated standards of the American news media will ultimately be adopted by the Lugar mission, formally or otherwise.

Those standards are themselves open to attack on the ground that they are American in concept and practice. It is axiomatic that, due to the different culture, norms, mores, and experience of the American people, US standards do not apply to the Philippine electoral system.

Senator Lugar has shown in public pronouncements that he is aware of the inherent problems that await his delegation. For instance, he told United Press International, "While the delegation may watch the election closely, there are clear limitations on its potential role. Only a few of the 90,000 voting places can be visited. Only a handful of the 20 million Filipino voters can be interviewed."

Lugar underscored the point that the presence of his delegation "should not be interpreted as a validation of the election process or its results."

Pertinent questions, previously raised here, bear repetition. If, indeed, Senator Lugar is aware of the limitations on the task of his delegation, why is the group coming at all? Is it to be assumed that, if the "election process" and "its results" jive with the preconceived notions of the delegation, the group will consider them "valid?" Is it to be assumed, too, that, if the election results run counter to its expectations, the delegation will assail them as fraudulent?

William F. Buckley, the brilliant spokesman for the conservative wing of the Republican Party, recently wrote:

"The big debate about the Filipino engagement has begun not only there, but also in the United States. Jeane Kirkpatrick has written in her column that American purism is causing difficulty in viewing the Filipino election realistically.

"We are asking of (President) Marcos the kind of behavior we don't ask of other world leaders with whom we have normal relations, and this, notwithstanding that Marcos heads a government friendly to the United States, in a country so situated geopolitically as to be critical to American interests in the area."

We very much hate to be naughty, but what useful purpose is to be served by the Lugar mission?

The coming of the Lugar group will cast a shadow on Philippine-American relations that may well lengthen and deepen in the years ahead.

Times Journal
1/6/86

EDITORIAL

Let's bar these American meddlers

THERE seems to be no end to the visits here of Americans styling themselves as election experts to observe preparations for the Feb. 7 poll.

A report from Washington the other day said a team of "independent observers" is now on its way to Manila "to assess the prospects" for next month's poll "being free and fair" and which assessment will determine whether or not the US Congress will send a congressional delegation to monitor the conduct of the election.

Republican Sen. Richard Lugar, chairman of the Senate foreign relations committee, was quoted as saying in a press conference that, based on the report of the first team the committee sent here, there are many unsettled issues and factors, including the potential role of the military in the election process. Before that, John C. Monjo, US deputy assistant secretary of state for East Asia and Pacific affairs, has let it be known that the behavior of the military in the coming poll will be under close watch by Washington because "the observance of a politically impartial role by the Philippine military will be central to the integrity of the electoral process..."

The implication of Senator Lugar's statement is that if the Senate foreign relations committee receives a negative assessment from the latest American team, the US will not send a delegation. And if the US Congress does not send a delegation, it will mean that the election is not free and fair. And if the election is not free and fair, the US Congress, as many of its members – both Republicans and Democrats – had been publicly announcing, will work to scuttle all aid to the Philippines.

Big Deal!

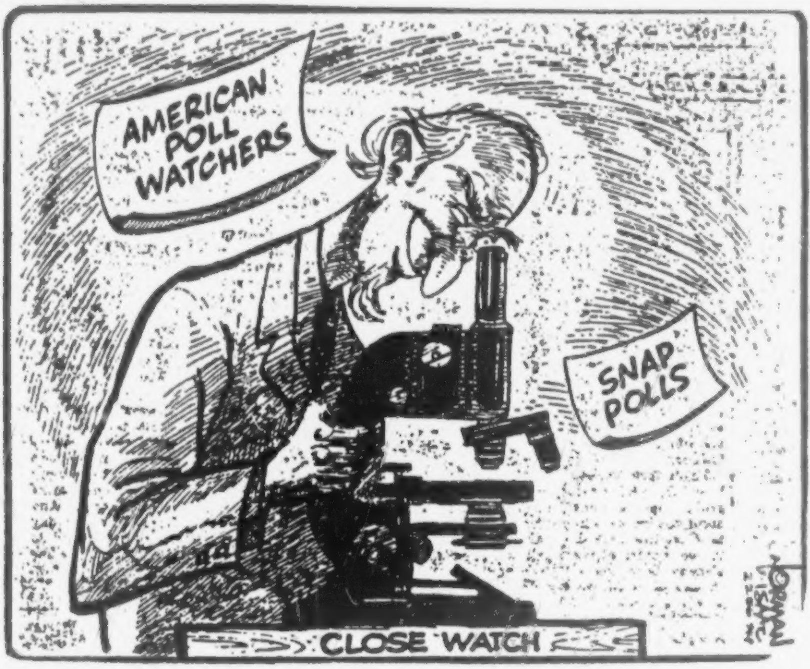
Since the start of the campaign, the ruling Kilusang Bagong Lipunan has not passed up any chance to tell its rabid partisans and rooters that the opposition is courting foreign intervention. KBL campaigners – sadly including those who are supposed to be among the few level-headed men in the political arena – have joined the chorus of those suggesting that foreign aid from the United States and West Germany, among other countries, has started pouring into opposition coffers. The charges may be true but the ruling party has yet to prove it.

Yet, while the KBL has been raising all these, none of its stalwarts has raised even as much as a squeak to call the party hierarchy's attention to this seemingly unending caravan of American officials coming here with one announced and explicit intention – to observe preparations for the election, in simple terms, to meddle, to intervene, to dictate.

What the KBL officials have been good at so far has been to roll out the red carpet and pamper these so-called observers. Is this what they are going to do again with the latest emissaries from the Great White Father?

It is tragic, indeed, that while the ruling party is shouting itself hoarse accusing the opposition of welcoming foreign intervention, it is, in fact, the one doing it.

For crying out loud, what is this?


AMERICAN POLL WATCHERS
SNAP POLLS
CLOSE WATCH
NORMAN

REGIONAL SUMMARY

ELECTION SURVEY
(As of February 1, 1986)
('000)

REGION	VOTING POPULATION	F.M. VOTES	PERCENT	C.A VOTES	PERCENT	DIFFERENCE
REGION I	2,003	1,539	76.83	464	23.17	1,075
REGION II	1,213	983	81.04	230	18.96	753
REGION III	2,684	1,375	51.23	1,309	48.77	66
REGION IV	3,434	1,542	44.90	1,892	55.10	(350)
REGION V	1,574	802	50.95	772	49.05	30
REGION VI	2,281	1,105	48.44	1,176	51.56	(71)
REGION VII	2,106	1,183	56.17	923	43.83	260
REGION VIII	1,334	858	64.32	476	35.68	382
REGION IX	1,341	870	64.88	471	35.12	399
REGION X	1,482	777	52.43	705	47.57	72
REGION XI	1,843	922	50.03	921	49.97	1
REGION XII	1,445	983	68.03	462	31.97	521
REGION NCR	4,060	1,320	32.51	2,740	67.49	(1,420)
NATIONAL TOTAL	26,800	14,259	53.21	12,541	46.79	1,718

ELECTION SURVEY
(As of February 1, 1986)
('000)

PROVINCE / CITY	VOTING POPULATION	F.M. VOTES	PERCENT	C.A VOTES	PERCENT	DIFFERENCE
REGION I						
BAGUIO CITY	87	52	59.77	35	40.23	17
DAGUPAN CITY	56	39	69.64	17	30.36	22
SAN CARLOS CITY	49	39	79.59	10	20.41	29
ABRA	90	72	80.00	18	20.00	54
BENGUET	123	80	65.04	43	34.96	37
ILOCOS NORTE	242	230	95.04	12	4.96	218
ILOCOS SUR	254	229	90.16	25	9.84	204
LA UNION	269	215	79.93	54	20.07	161
MT. PROVINCE	46	32	69.57	14	30.43	18
PANGASINAN	787	551	70.01	236	29.99	315
REGIONAL TOTAL	2,003	1,539	76.83	464	23.17	1,075
REGION II						
BATANES	7	6	85.71	1	14.29	5
CAGAYAN	400	340	85.00	60	15.00	280
IFUGAO	54	32	59.26	22	40.74	10
ISABELA	466	373	80.04	93	19.96	280
KALINGA-APAYAO	99	89	89.90	10	10.10	79
NUEVA VIZCAYA	138	104	75.36	34	24.64	70
QUIRINO	49	39	79.59	10	20.41	29
REGIONAL TOTAL	1,213	983	81.04	230	18.96	753
REGION III						
ANGELES CITY	101	40	39.60	61	60.40	(21)
OLONGAPO CITY	113	90	79.65	23	20.35	67
BATAAN	199	100	50.25	99	49.75	1
BULACAN	663	298	44.95	365	55.05	(67)
NUEVA ECIJA	583	350	60.03	233	39.97	117
PAMPANGA	490	196	40.00	294	60.00	(98)
TARLAC	368	184	50.00	184	50.00	0
ZAMBALES	167	117	70.06	50	29.94	67
REGIONAL TOTAL	2,684	1,375	51.23	1,309	48.77	66
REGION IV						
BATANGAS CITY	83	33	39.76	50	60.24	(17)
CAVITE CITY	58	23	39.66	35	60.34	(12)

	69	28	40.58	41	59.42	(13)
.TY	64	26	40.63	38	59.38	(12)
PRINCESA CITY	41	16	39.02	25	60.98	(9)
BLO CITY	81	32	39.51	49	60.49	(17)
	53	32	60.38	21	39.62	11
ANGAS	506	202	39.92	304	60.08	(102)
AVITE	380	228	60.00	152	40.00	76
LAGUNA	532	213	40.04	319	59.96	(106)
MARINDUQUE	93	74	79.57	19	20.43	55
MINDORO OCCIDENTAL	115	69	60.00	46	40.00	23
MINDORO ORIENTAL	218	109	50.00	109	50.00	0
PALAWAN	166	66	39.76	100	60.24	(34)
QUEZON	494	198	40.08	296	59.92	(98)
RIZAL	392	157	40.05	235	59.95	(78)
ROMBLON	89	36	40.45	53	59.55	(17)
REGIONAL TOTAL	3,434	1,542	44.90	1,892	55.10	(350)
REGION V						
IRIGA CITY	33	13	39.39	20	60.61	(7)
LEGASPI CITY	53	27	50.94	26	49.06	1
NAGA CITY	51	20	39.22	31	60.78	(11)
ALBAY	308	154	50.00	154	50.00	0
CAMARINES NORTE	150	75	50.00	75	50.00	0
CAMARINES SUR	434	174	40.09	260	59.91	(86)
CATANDUANES	77	58	75.32	19	24.68	39
MASBATE	251	151	60.16	100	39.84	--
SORSOGON	217	130	59.91	87	40.09	43
REGIONAL TOTAL	1,574	802	50.95	772	49.05	30
REGION VI						
BACOLOD CITY	165	66	40.00	99	60.00	(33)
BAGO CITY	45	25	55.56	20	44.44	5
CADIZ CITY	49	44	89.80	5	10.20	39
ILOILO CITY	153	61	39.87	92	60.13	(31)
LA CARLOTA CITY	25	18	72.00	7	28.00	11
ROXAS CITY	46	18	39.13	28	60.87	(10)
SAN CARLOS CITY	40	24	60.00	16	40.00	8
SILAY CITY	43	26	60.47	17	39.53	9
AKLAN	165	83	50.30	82	49.70	1
ANTIQUE	179	107	59.78	72	40.22	35
CAPIZ	188	75	39.89	113	60.11	(38)
ILOILO	618	247	39.97	371	60.03	(124)
NEGROS OCCIDENTAL	565	311	55.04	254	44.96	57
REGIONAL TOTAL	2,281	1,105	48.44	1,176	51.56	(71)

REGION VII						
CEBU CITY	322	113	35.09	209	64.91	(96)
DANAO CITY	64	58	90.63	6	9.38	52
DUMAGUETE CITY	41	25	60.98	16	39.02	9
LAPU-LAPU CITY	55	22	40.00	33	60.00	(11)
MANDAUE CITY	74	15	20.27	59	79.73	(44)
TAGBILARAN CITY	26	16	61.54	10	38.46	6
TOLEDO CITY	49	29	59.18	20	40.82	9
BOHOL	400	260	65.00	140	35.00	120
CEBU	656	394	60.06	262	39.94	132
NEGROS ORIENTAL	380	228	60.00	152	40.00	76
SIQUIJOR	39	23	58.97	16	41.03	7
REGIONAL TOTAL	2,106	1,183	56.17	923	43.83	260
	------	-----	-----	-----	-----	------
REGION VIII						
CALBAYOG CITY	53	42	79.25	11	20.75	31
ORMOC CITY	56	34	60.71	22	39.29	12
TACLOBAN CITY	60	33	55.00	27	45.00	6
EASTERN SAMAR	131	79	60.31	52	39.69	27
LEYTE	545	354	64.95	191	35.05	163
NORTHERN SAMAR	169	110	65.09	59	34.91	51
SOUTHERN LEYTE	146	102	69.86	44	30.14	58
WESTERN SAMAR	174	104	59.77	70	40.23	34
REGIONAL TOTAL	1,334	858	64.32	476	35.68	382
	------	-----	-----	-----	-----	------
REGION IX						
ZAMBOANGA CITY	196	98	50.00	98	50.00	0
BASILAN	98	59	60.20	39	39.80	20
SULU	244	171	70.08	73	29.92	98
TAWI-TAWI	87	70	80.46	17	19.54	53
ZAMBOANGA DEL NORTE	289	173	59.86	116	40.14	57
ZAMBOANGA DEL SUR	427	299	70.02	128	29.98	171
REGIONAL TOTAL	1,341	870	64.88	471	35.12	399
	------	-----	-----	-----	-----	------
REGION X						
BUTUAN CITY	103	62	60.19	41	39.81	21
CAGAYAN DE ORO CITY	159	32	20.13	127	79.87	(95)
OROQUIETA CITY	26	18	69.23	8	30.77	10
OZAMIS CITY	48	34	70.83	14	29.17	20
SURIGAO CITY	48	26	54.17	22	45.83	4
TANGUB CITY	19	10	52.63	9	47.37	1
AGUSAN DEL NORTE	105	63	60.00	42	40.00	21
AGUSAN DEL SUR	148	89	60.14	59	39.86	30

BUKIDNON	329	197	59.88	132	40.12	65
CAMIGUIN	32	22	68.75	10	31.25	12
MISAMIS OCCIDENTAL	120	84	70.00	36	30.00	48
MISAMIS ORIENTAL	198	59	29.80	139	70.20	(80)
SURIGAO DEL NORTE	147	81	55.10	66	44.90	15
REGIONAL TOTAL	1,482	777	52.43	705	47.57	72
	------	-----	-----	-----	-----	------
REGION XI						
DAVAO CITY	376	188	50.00	188	50.00	0
GEN. SANTOS CITY	92	37	40.22	55	59.78	(18)
DAVAO DEL NORTE	439	241	54.90	198	45.10	43
DAVAO DEL SUR	258	129	50.00	129	50.00	0
DAVAO ORIENTAL	178	98	55.06	80	44.94	18
SOUTH COTABATO	306	122	39.87	184	60.13	(62)
SURIGAO DEL SUR	194	107	55.15	87	44.85	20
REGIONAL TOTAL	1,843	922	50.03	921	49.97	1
	------	-----	-----	-----	-----	------
REGION XII						
COTABATO CITY	51	36	70.59	15	29.41	21
ILIGAN CITY	101	51	50.50	50	49.50	1
MARAWI CITY	40	20	50.00	20	50.00	0
LANAO DEL NORTE	194	155	79.90	39	20.10	116
LANAO DEL SUR	249	199	79.92	50	20.08	149
MAGUINDANAO	355	249	70.14	106	29.86	143
NORTH COTABATO	303	182	60.07	121	39.93	61
SULTAN KUDARAT	152	91	59.87	61	40.13	30
REGIONAL TOTAL	1,445	983	68.03	462	31.97	521
	------	-----	-----	-----	-----	------
REGION NCR						
CITY OF MANILA	1,082	325	30.04	757	69.96	(432)
PASAY CITY	216	86	39.81	130	60.19	(44)
QUEZON CITY	878	263	29.95	615	70.05	(352)
LAS PINAS	123	37	30.08	86	69.92	(49)
MAKATI	358	179	50.00	179	50.00	0
MALABON	141	42	29.79	99	70.21	(57)
MANDALUYONG	151	45	29.80	106	70.20	(61)
MARIKINA	151	45	29.80	106	70.20	(61)
MUNTINLUPA	126	38	30.16	88	69.84	(50)
NAVOTAS	104	31	29.81	73	70.19	(42)
PARANAQUE	166	50	30.12	116	69.88	(66)
PASIG	183	55	30.05	128	69.95	(73)
PATEROS	25	8	32.00	17	68.00	(9)
SAN JUAN	96	38	39.58	58	60.42	(20)
TAGUIG	104	31	29.81	73	70.19	(42)

VALENZUELA	156	47	30.13	109	69.87	(62)
REGIONAL TOTAL	4,060	1,320	32.51	2,740	67.49	(1,420)
NATIONAL TOTAL	26,800	14,259	53.21	12,541	46.79	1,718

STATEMENT BY THE PRESIDENTIAL DELEGATION

We have spent the past five days in the Philippines observing the presidential election process. President Marcos requested President Reagan to send an official delegation, after which President Reagan requested us, a bipartisan group of congressional leaders and private citizens, to observe the election.

Since arriving, we have met several times with the government's electoral officials of COMELEC and with the leaders of COMELEC's citizen arm, the National Movement for Free Elections (NAMFREL). During the voting itself and the early vote counting period, the delegation divided into eight teams, each headed by a member of Congress. The groups traveled throughout the Philippines, visiting dozens of villages, towns, and cities to observe voting and counting in hundreds of precincts. We talked to many participating citizens as well as election officials, representatives of the candidates, and local COMELEC and NAMFREL leaders.

We have observed the passionate commitment of Filipinos to democracy, and we applaud that commitment. In the weeks preceding the election, the people of the Philippines have been involved in a vigorous campaign characterized by lively debate, active campaigning throughout the country, and the mobilization of NAMFREL to monitor the election. The enormous crowds drawn by the candidates and the zeal displayed by the Filipino electorate would be the envy of politicians in our own country.

We saw thousands of people standing in line patiently, often for hours, waiting to vote. From northern Luzon to southern Mindanao, we have observed dedicated people, inspired and motivated by their faith in democracy. Moreover, we have seen concrete examples, both in voting and counting ballots, of success in the administration of the electoral process.

Sadly, however, we have witnessed and heard disturbing reports of efforts to undermine the integrity of that process, both during the voting and vote counting process which is still underway. Even within the last twenty-four hours, serious charges have been made in regard to the tabulation system.

The count is at a critical moment. We share the concern, expressed to us both by government election officials and citizen monitors, that the remainder of the COMELEC and NAMFREL Quick Count Operations proceed to a credible conclusion without further delay. We join all Filipinos of good will in deploring all incidents of election related violence and intimidation.

The process of counting and certifying the results of this election continues. Our mission as observers also continues.

We leave the Philippines today to deliver an interim report to President Reagan. Our final report will include information provided by those who will continue to observe on our behalf the remainder of the current electoral process. Our observation of this election is by no means completed. We have directed teams from the U.S. Embassy, congressional staff, and the Center for Democracy to monitor closely the efforts by COMELEC and NAMFREL to bring their electoral Quick Counts to a rapid and credible conclusion. We will be receiving and evaluating their findings for our final report. It is our hope that, in the days ahead, the current divergence between the two electoral Quick Count tallies will give way to a uniform electoral result that is broadly accepted by the Filipino people.

Each of us takes back to the United States individual memories and a common prayer. Our memories are those meetings with many Filipinos, meetings which have evidenced the strong and historic bonds of friendship between our peoples. Our prayer is that this election process will end soon with the people of the Philippines reconciled through the triumph of the democratic process.

5. Have the national party institutes received requests for assistance from political parties and political education groups in the Philippines now that a new government is being formed, and if so, are your resources sufficient to respond to those requests?

NATIONAL REPUBLICAN INSTITUTE FOR INTERNATIONAL AFFAIRS:

The NRIIA has received no requests for support from groups or parties currently operating in the Philippines. The NRIIA program of democratic development activity for the coming year contains no additional plans for Philippine work.

NATIONAL DEMOCRATIC INSTITUTE FOR INTERNATIONAL AFFAIRS:

NDI has been in contact with leaders of NAMFREL and officials of various parties. NDI has been encouraged to develop bilateral projects to strengthen indigenous institutions, particularly in relation to non-partisan, civic awareness education organizations and political parties. They are in the early exploratory stage of all planning and will not proceed further until a presentation has been made to the NDI Board and they have obtained its approval to proceed. They will then begin specific discussions with the NED. Hopefully, additional resources will be available for new initiatives in the Philippines, for NDI has previously-designed programs which will use all the remainder of their $2 million NED allocation for FY 86.

Activities in the Philippines

6. The Asia Foundation was very active in the Philippines during the recent election and has plans for an extensive program to aid the new government. Do you coordinate with the Asia Foundation in your activities to ensure that there is no duplication of effort?

The Endowment both has held general discussions with the Asia Foundation and has consulted closely with them regarding the Philippines. During the fall of 1985 the Endowment received proposals from several Filipino groups that had also approached the Asia Foundation, and the two organizations exchanged information on several occasions to make sure there would not be duplication of effort. CIPE, NDIIA and NRIIA have also maintained close coordination with the Asia Foundation.

1. What was the impact of the sequestration of $774,000 on the activities of the Endowment for fiscal year 1986?

2. Will a furlough or a reduction-in-force be necessary to accommodate this reduction?

3. Will a reprogramming be necessary?

4. You are requesting an increase of $756,000 for inflation, $774,000 to restore the reduction that was made under Gramm-Rudman in 1986, and $1,355,000 for program enhancements. What would be the impact on your activities if the Congress cannot grant those increases because of the budget constrainst of Gramm-Rudman?

5. What would be the impact on the Endowment's activities if you received a 20 to 25% reduction from your current level as a result of the Gramm-Rudman legislation?

6. You are requesting a program increase of $1,355,000. Please provide for the record how much of that amount would be allocated to each of your program activities, how you arrived at that allocation, and what specific projects you would fund with these additional resources.

Concerning the effects of Gramm-Rudman and the Endowment's FY 87 budget request, the following statement responds to each of the above questions.

FY 1987 will be the fourth year of the Endowment's operations. As will be recalled, the Endowment was authorized at a start-up level of $31.3 million in FY 1984. Because the Endowment did not get underway until well into the fiscal year, a partial year budget of $18 million was approved by FY 1984.

The Endowment is now in its third year, with a budget for FY 1986 of $17,226,000. Thus, the current budget is below that of the original start-up budget for a partial year, which in turn was less than 60 percent of the original authorization.

This has created enormous hardship for the Endowment. As a magnet which attracts grant proposals from democratic groups around the world, the Endowment receives far more qualified proposals than it is in any position to fund. Excellent proposals must be turned down and most of those approved are funded at only a fraction of what the applicant requests and needs. The sequestration of $774,000 for FY 1986 only exascerbates the problems caused by funding that is already below previously approved levels. Were the Endowment's budget to be cut another 20-25 percent, the effects would be severe.

The Endowment recognizes that it has come upon the scene during a period of extreme budgetary stringency. This is clearly a difficult time to launch any new initiative, especially one as bold and as far-reaching as the Endowmemt. But this is no reason to retreat from what has been started.

Because of its very nature and the dramatic manner in which it was launched, the Endowment has raised hopes of democrats throughout the world. Many of them have already begun important new efforts in some of the most complex and tense situations that exist -- in Poland, where Solidarity continues to struggle for survival and for independence from totalitarian rule; in Haiti, where a new democracy is struggling to be born after decades of represssion; in Chile, where a broad-based democratic opposition is pressing for a democratic opening; in Central America, a region beset by sharp ideological confrontation; and in South Africa, where courageous efforts are underway to find a democratic alternative to apartheid.

The Endowment cannot back away from these and other equally difficult situations without betraying the hopes of those who look to our country for support. The modest requested program increase of $1,355,000 would barely allow us to hold our own, given the decreased value of the dollar abroad, and would still leave us at less than two-thirds of the start-up authorized level.

The Endowment cannot know precisely the programs that would be supported with the increase of $1,355,000, since this depends on the receipt of qualified proposals, the evaluation of existing programs, and the actions of the Endowment Board. Nonetheless, special priority will be given to proposals which creatively and meaningfully address the problem of democracy in the following critical areas: Central America, Haiti, Chile, the Philippines, Afghanistan, Poland and South Africa.

QUESTIONS SUBMITTED FOR THE RECORD BY MR. ROGERS

Concerning grants to Prodemca:

1. Did La Prensa request that funds be given to it directly or channeled through the Inter-American Press Association or the American Press Association -- groups not identified with support for the contras?

La Prensa's original request to the Endowment for assistance (see attached letter from Jaime Chamorro to Carl Gershman of August 25, 1984) suggested that a donation be provided either directly from NED to La Prensa or through such organizations as the Inter-American Press Association (IAPA) or American Newspaper Association (ANPA).

2. If La Prensa suggested other groups, who first suggested to Prodemca that it might be the conduit for these funds? Why was Prodemca selected?

The policy of the NED Board has been that grants should not be made directly to groups abroad, but rather through U.S.private-sector organizations that assume responsibility, at a minimum, for monitoring and reporting on NED-funded programs. There are two basic reasons for this policy. 1) The goal, enshrined in NED's authorizing legislation, of promoting the participation of U.S. private-sector groups in democratic cooperation and institution-building abroad; and 2) the small size of the Endowment staff, which makes it especially useful to enlist the efforts and expertise of U.S. private organizations in administering grant programs abroad.

Thus, the Endowment staff looked for a U.S. organization to serve as grantee for the provision of support to La Prensa. In accord with La Prensa's own suggestion, as well as the general principle of matching counterpart organizations, the NED staff first contacted press associations. Here, however, it encountered the unwillingness, on principle, of press organizations and other groups devoted to press freedom to accept any congressionally appropriated funds whatsoever. In response to NED staff urging that the Endowment's private character might justify a different policy, IAPA staff agreed to check into the matter, but they too eventually reported that IAPA did not feel it could accept NED funds.

Given the problems encountered in locating a willing grantee among press associations, NED staff began to consider other kinds of organizations, particularly those with a regional focus on Central America. The staff found an appropriate group eager to join in assisting La Prensa in the then newly established Prodemca. The presentation of the La Prensa proposal to the December, 4, 1984 meeting of the Endowment Board stated: "Prodemca, a non-profit educational organization committed to the promotion of democracy and human rights in Central America has agreed to administer the grant. Prodemca is a non-partisan group whose National Council is made up of a distinguished group of Americans, among whom are Father Theodore Hesburgh, William Simon, Angier Biddle Duke, Elie Wiesel, John Silber, J. Peter Grace, Samuel Huntington and Clark Kerr." (Descriptive material supplied by Prodemca is attached.)

3. What portion of the $100,000 grant was given to Prodemca for their overhead? Would giving the money directly to La Prensa have saved this cost?

Of the $100,000 grant for La Prensa in FY 1985, $7,000 went to Prodemca for its administrative expenses in connection with the grant. This included $2,000 for an audit, which would have been required in any case. If a grant had gone directly to La Prensa, the remaining $5,000 would not have been a direct cost of this program, but additional administrative time and effort would have been required on the part of NED staff. In any case, for the reasons noted in answering the previous question, the policy of the NED Board to date has been not to make grants directly to recipients abroad.

It should also be pointed out that the assistance requested of NED by La Prensa has not been a direct cash grant but supplies to be purchased from La Prensa's long-time supplier in Miami. In the view of the Endowment's Board, the direct purchase and provision of supplies by NED would not have been appropriate.

4. Was the Endowment aware beforehand that Prodemca planned to take out full-page advertisements and circulate materials to Congress in support of aid to the contras? Was La Prensa asked whether these activities by Prodemca would embarass or compromise it? If so, what was its reply?

Even before the initial FY 1985 grant to assist La Prensa had expired it became evident that further assistance would be required if the newspaper were to continue publication. La Prensa's director wrote NED a letter dated August 9, 1985 seeking continuing assistance after the initial grant expired.

This request was scheduled to come before the NED Board of Directors at its December 3, 1985 meeting. That meeting was postponed, however (because NED had not yet received its FY 1986 appropriation), and the decision on a second grant to assist La Prensa could not be taken up until the rescheduled Board meeting on January 27, 1986. At that meeting the Board, in recognition of La Prensa's urgent needs and the importance of its continued publication as a force for democracy in Nicaragua, approved a second grant of $100,000 for a ten-month period, including $7,000 for the administrative costs of PRODEMCA.

Shortly after the January 27 Board meeting, and prior to signing the new grant agreement, PRODEMCA informed the Endowment staff that it was seriously considering issuing a public statement in support of U.S. assistance to the armed Nicaraguan resistance. At that time, PRODEMCA also stated its intent to notify La Prensa of its possible involvement in this issue to ascertain whether this might jeopardize La Prensa's already difficult situation within Nicaragua.

In response to PRODEMCA's inquiry, La Prensa emphasized its urgent need for a large shipment of supplies costing approximately $50,000, and requested that this amount be made available immediately. Subsequent consultations among La Prensa, PRODEMCA and NED led to a mutual agreement that it might be preferable for the remaining funds approved by the NED Board to be administered by another grantee. La Prensa specifically requested that this role be assumed by Americares, a volunteer, non-profit foundation based in New Canaan, Connecticut, which is devoted to "providing an immediate and effective response to humanitarian needs..." With NED encouragement, but independent of our own grant to assist the newspaper, Americares has been helping to supply La Prensa with newsprint donated by the U.S. pulp and paper industry.

Attempting to comply with La Prensa's wishes, the Endowment signed a grant agreement with PRODEMCA for $51,500 to make possible the immediate shipment of the needed supplies. (PRODEMCA agreed both to limit its administrative costs to $1,500 and to withdraw from administering the remaining portion of the grant.) On March 7, the Endowment Board approved reallocating the remaining $48,500 to be administered by Americares, which had given a preliminary indication that it was willing to accept this grant.

5. If there are any documents or correspondence on these subjects, could copies be provided to the subcommittee?

The following documents are attached in relation to questions regarding Endowment grants to Prodemca:

1) Letter of August 25, 1984 from Jaime Chamarro to Carl Gershman.

2) Descriptive material about Prodemca.

3) Complete grant agreements for all NED grants to Prodemca.

4) Document approved by NED Board on March 7, 1986 authorizing transfer of second La Prensa grant from Prodemca to Americares.

TRANSLATION OF LETTER

Managua August 25, 1984

Mr. Carl Gershman
National Endowment for Democracy
1156 15th Street, N.W., Suite 304
Washington, D.C. 20005
USA

Mr. President:

We would like to take this opportunity to explain to you the problems that "La Prensa" is facing in continuing publication in Nicaragua. The problem is due primarily to the country's crises surrounding a deficiency in a foreign exchange needed for importing primary materials and vital services that must be paid in dollars in the United States of America.

Our primary problem has not been the supply of paper, as the Government has approved for us foreign exchange rates to import paper, although in an inconsistent manner and with delays in payment. This situation has served to escalate our costs, although it has not adversely affected the necessary supply, up to now.

We have a supply of paper sufficient to last through October. This paper was purchased from the Argentine Republic with a line of credit being granted to the Government of Nicaragua. In addition, an amount of Soviet paper was sold to us by the Government here in Nicaragua, and, also, a donation of 90 tons was provided by the Norwegian newspapers.

The exchange rate crises that our country is experiencing has been the cause of various orders, valued at U.S. $110,523.26 (see attachment No. 1), still having not been paid (in dollars) to the suppliers. These orders have been shipped, received and paid for by us to the Banco Central (Central Bank) of Nicaragua (in Cordobas). These orders are for paper and primary materials, the suppliers have refused to ship new orders until the pending transactions have been finalized (written off). The paper supply has been provided for through other suppliers, as we have explained above. But the primary materials have not been resolved, for which we need U.S. $28,000.00 per month (see attachment No. 2), therefore, we may soon be without some materials that are indispensably vital for the continued publication of our newspaper.

We at "La Prensa" are of the belief that unless a solution to this problem is found, we will run the risk of having to close down for lack of materials needed for publishing on a short term basis. We believe that "La Prensa" is an important factor toward the end of maintaining pluralism and democracy in Nicaragua.

We have thought of requesting donations from the Inter-American Press Association (IAPA) or the American Newspaper Association (ANPA), and we would like to know if the National Endowment for Democracy would be interested in providing funds through (by means of) these organizations for the purpose of supporting "La Prensa", and we would accordingly contact them. Or, if possible, a donation made directly to "La Prensa" by the National Endowment for Democracy. We would like to point out to you that a direct donation is permissible under Nicaraguan law, with the sole condition being that the donation be approved and registered at the Banco Central of Nicaragua, prior to its being actually received. Up to now, the government has not presented any problems with donations of this nature in the past. For instance, we received a loan of $500,000.00 from the (German Freidrich Naumann Foundation, for the purpose of rebuilding "La Prensa". Also, in August of 1982 we received a donation from the american company, Chemco Panamerican, Inc. as registered according to a letter from the Banco Central (see attachment No. 3).

The hoped for donation, to solve the problem, would be for U.S. $100,000.00, but a lesser amount would help to alleviate the immediate problem.

Let me thank you beforehand for the attention we are certain you will give this matter. You have my fullest respect and regard.

Most sincerely yours,

Jaime Chamorro C.
General Manager
"La Prensa"

cc: Senator Orrin Hatch
Senate Office Building
Washington, D.C. 20510

Archivo.

JChC/mis.

ATTACHMENT NO. 2

REQUIREMENTS FOR PRIMARY MATERIAL

"LA PRENSA" PUBLISHING COMPANY

1.	ALUMINUM PLATE	$ 3,000.00
2.	FILM FOR PHOTOMECHANICS	6,011.00
3.	PHOTOGRAPHIC FILM	705.00
4.	CHEMICALS FOR FILM	1,983.00
5.	CHEMICALS FOR PLATES	865.50
6.	PHOTOGRAPHIC PAPER	2,752.00
7.	PHOTOCOMPOSITION PAPER	1,746.00
8.	PHOTOCOMPOSITION CHEMICALS	856.20
9.	INK	3,700.00
10.	PACKING TAPE	671.00
11.	ROTARY CHEMICALS	1,148.66
12.	COMPUTER CHEMICALS	391.50
13.	MISCELLANEOUS PHOTOGRAPHY, PHOTOMECHANICS	650.00
14.	ROTARY MOLDS	720.14
	TOTALS	$25,200.00
	SHIPPING COSTS	2,800.00
		$28,000.00

TELEFONOS:
DIRECCION 41140-41240
REDACCION 40319-43100
ANUNCIOS 42790

LA PRENSA
KM 4 1/2 PISTA PEDRO JOAQUIN CHAMORRO C.
APARTADO POSTAL No 192
TELEX No 375 1061
MANAGUA, NICARAGUA

TELEFONOS:
VENTA 42400-42800
CIRCULACION 41851-42390
CONTABILIDAD 42880-43370

RECEIVED
OCT - 4 1984

Managua Agosto 25, 1984

Mr. Carl Gershman, President
National Endowment For Democracy,
1156 15th. St. N.W. Suite 304,
Washington, D.C. 20005,
U.S.A.

Sr. Presidente:

Por medio de la presente queremos exponer a usted los problemas que afronta el Diario LA PRENSA, para continuar editándose en Nicaragua, debido principalmente a la crisis que vive el país por la falta total de divisas para importar materias primas y servicios noticiosos que tienen que ser pagados en dólares de los Estados Unidos de Norteamérica.

El problema principal por ahora no es el suministro de papel, ya que el gobierno nos está aprobando divisas para importar papel, aunque de una forma algo irregular y con atrasos de pago, situación que nos aumenta los costos, pero sin hasta el momento habernos afectado las existencias necesarias.

Tenemos existencias de papel hasta finales de Octubre, comprado en la República de Argentina con una línea de crédito concedida al gobierno de Nicaragua, además de una cantidad de papel soviético que nos vendió el gobierno aquí en Nicaragua y una donación de los periódicos de Noruega de 90 toneladas.

La crisis total de divisas que vive el país, ha sido la causa de que varios pedidos por valor de US$110.523.26 (ver anexo No. 1), ya embarcados, recibidos y pagados por nosotros al Banco Central de Nicaragua (en córdobas) continuen sin ser pagados (en dólares) a los suplidores. Estos pedidos son de papel y materia prima, de tal forma que los suplidores se niegan a embarcar nuevos pedidos hasta no recibir estas cancelaciones, el papel se ha resuelto por otros suplidores, como ya explicamos; pero la materia prima no ha sido resuelto para lo que requerimos de US$28.000.00 mensuales (ver anexo No. 2), así que nosotros tememos que pronto podamos quedar sin algunos materiales indispensables para publicar el periódico.

LA PRENSA cree que si no se dá alguna solución a este problema corre el peligro de pararse por falta de materiales para su publicación en un corto plazo, creemos que LA PRENSA es un factor importante en el mantenimiento del pluralismo, y la Democracia en Nicaragua.

Hemos pensado en solicitar alguna donación a la Inter American Press

TELEFONOS
DIRECCION 41140-41240
REDACCION 40316-43180
ANUNCIOS 42700

LA PRENSA
KM 4 1/2 PISTA PEDRO JOAQUIN CHAMORRO C.
APARTADO POSTAL No 192
TELEX No 375 1051
MANAGUA, NICARAGUA

TELEFONOS
P. y VENTA 42400-42800
CIRCULACION 41051-47500
CONTABILIDAD 47090-43370

Association (IAPA) o a la American News Paper Association (ANPA) y queremos saber si la National Endowment for Democracy, estaría interesada - en avocar fondos por medio de estas asociaciones para que sean usadas - en apoyo a LA PRENSA, para así nosotros hacer los contactos adecuados con ellos, o si sería posible una donación directa a LA PRENSA de parte de la National Endowment for Democracy, queremos hacer notar a usted que una donación directa es permitida por las leyes de Nicaragua, con la única condición que sea aprobada y registrada en el Banco Central de Nicaragua antes de ser recibida, hasta el momento el gobierno no ha puesto problemas a estas donaciones en el pasado como el caso de un préstamo de medio millón de dólares que recibimos de la Fundación Alemana Friedrich Naumann para reconstruir LA PRENSA. En Agosto de 1982 recibimos una donación de la compañía americana Chemco Panamerican Inc., la que fue registrada según carta del Banco Central (ver anexo No. 3).

La donación requerida sería de US$100.000 (CIEN MIL DOLARES), para resolver el problema; pero una cantida menor vendría a aliviar el problema inmediato.

Agradeciéndole de antemano la atención que, estamos seguros le dará a la presente quedo de usted con toda consideración y respeto,

Muy atentamente,

JAIME CHAMORRO C.
Gerente General

cc.: Senator Orrin Hatch
Senate Office Building,
Washington, D.C. 20510,
U.S.A.

Archivo.

JChC/mls.

TELEFONOS
CCION 41140-41240
ACCION 40319-43180
CIOS 47780

LA PRENSA
KM 4 1/2 PISTA PEDRO JOAQUIN CHAMORRO C.
APARTADO POSTAL No. 192
TELEX No. 375 1851
MANAGUA, NICARAGUA

TELEFONOS
P. VENTA 47480-4798
CIRCULACION 41051-4756
CONTABILIDAD 47690-43378

ANEXO #2

REQUERIMIENTOS DE MATERIA PRIMA

EDITORIAL "LA PRENSA"

1	PLANCHA DE ALUMINIO--------------------------------	$ 3.000.00
2	PELICULAS PARA FOTOMECANICA------------------------	6.011.00
3	PELICULA PARA FOTOGRAFIA---------------------------	705.00
4	QUIMICOS PARA PELICULA ----------------------------	1.983.00
5	QUIMICOS PARA PLANCHAS ----------------------------	865.50
6	PAPEL FOTOGRAFICO ---------------------------------	2.752.00
7	PAPEL FOTOCOMPOSICION -----------------------------	1.746.00
8	QUIMICOS FOTOCOMPOSICION --------------------------	856.20
9	TINTA ---	3.700.00
10	CINTA PARA EMPAQUE --------------------------------	671.00
10	QUIMICOS ROTATIVA ---------------------------------	1.148.66
12	QUIMICOS COMPUTADORA ------------------------------	391.50
13	MISCELANEOS FOTOMECANICA, FOTOGRAFIA,-------------	650.00
14	MANTILLAS ROTATIVA --------------------------------	720.14
	TOTAL..........................	$ 25.200.00
	GASTOS DE EMBARQUE.......	2.800.00
		28.000.00
		=========

PRODEMCA

Citizens' Committee for the Pro-Democratic
Forces in Central America

National Council (in formation)

Morris Abram, Attorney, New York
Philip Baum, Assoc. Exec. Director, American Jewish Congress
* John M. Bennett, San Antonio, Texas
Nicholas D. Biddle, Madrid and San Jose, Costa Rica
Linden Blue, Chairman, Cordillera Corporation, Denver, Colorado
Vladimir Bukovsky, Hoover Institution, Stanford, California
* Francis R. Carroll, President, Small Business Service Bureau
S. Harrison Dogole, Businessman, Philadelphia, Pennsylvania
* William C. Doherty, Jr., Executive Director, American Institute for Free Labor Development
* Angier Biddle Duke, Chairman, Appeal of Conscience Foundation, former Ambassador to El Salvador
Orville Freeman, Chairman, Business International, former Secretary of Agriculture, former Governor of Minnesota
J. Peter Grace, Chairman, W. R. Grace & Company
Judith Hernstadt, Las Vegas, Nevada
Theodore M. Hesburgh, President, University of Notre Dame
Sidney Hook, Hoover Institution, Stanford, California
Samuel P. Huntington, Director, The Center for International Affairs, Harvard University
John T. Joyce, President, International Union of Bricklayers and Allied Craftsmen
* Penn Kemble, President, Foundation for Democratic Education
Clark Kerr, President Emeritus, University of California
Jorge Mas Canosa, Chairman, Cuban-American National Foundation
Huber Matos, Jr., Cuba, Independiente y Democratica
Michael Novak, American Enterprise Institute
* Richard Ravitch, Chairman, City Development Corporation, Inc.
Daniel Rose, President, Rose Associates, New York
* Bayard Rustin, President, A. Philip Randolph Institute
Albert Shanker, President, American Federation of Teachers
* John R. Silber, President, Boston University; member National Bipartisan Commission on Central America
William E. Simon, President, Olin Foundation, former Secretary of the Treasury
* Max Singer, President, The Potomac Organization
* Kenneth B. Smilen, Chairman, Smilen & Safian
Maurice Sonnenberg, Investment Consultant, New York
Ben J. Wattenberg, Chairman, Coalition for Democratic Majority
Elie Wiesel, Author, Professor in Humanities, Boston University
* Mary N. Temple, Executive Director, PRODEMCA

* Member of the Executive Committee

(All affiliations are for identification purposes only.)

A nonprofit, nonpartisan educational organization formed in 1984 by private citizens who care about democracy, human rights and social justice in Central America.

(In Formation) Morris R. Abram, John M Bennett*, Nicholas D. Biddle, Linden Blue, Francis R. Carroll*, William C. Doherty, Jr.*, Angier Biddl
J. Peter Grace, Judith Hernstadt, Sidney Hook, John T. Joyce, R. Penn Kemble*, Clark Kerr, Jorge Mas Canosa, Huber Matos, Jr., Michael Novak, Ric
Bayard Rustin*, Albert Shanker, John R. Silber*, Max Singer*, Kenneth B. Smilen*, Ben J. Wattenberg, Mary N. Temple, *Executive Direct*

Executive Committee Member

[illegible]

PRODEMCA

Citizens' Committee for the Pro-Democratic
Forces in Central America

A STATEMENT OF PURPOSE

WHAT PRODEMCA BELIEVES

The friends of democracy are gaining strength in Central America, and they need and want our help.

Many in our country have too long believed that the only choice for the peoples of Central America is between traditional, authoritarian systems and a violent, repressive new revolutionary order. But during recent years it has become clear that there is a powerful desire for democracy among the peoples of this region. This aspiration is increasingly reflected in their institutions.

In El Salvador, huge numbers of citizens turned out in three elections since 1982, the last of which elected Jose Napoleon Duarte as the country's new President -- a President who has vowed to protect the rights of his people, and has taken important steps to do so.

Democracy has taken hold in Honduras, and to some extent in Panama. In these countries, and in El Salvador, the military increasingly accepts the principle of civilian government and has worked to strengthen the processes of civilian, democratic rule. Even Guatemala, which has had some harsh military regimes, has shown recent signs of progress toward democracy, including a peaceful Constituent Assembly election with a large turnout in 1984. And Costa Rica has for many years been among the few fully democratic societies outside of the industrialized world.

But many threats still cloud the prospect of progress. Poverty, illiteracy and disease are still widespread, and for some time to come will create a desperation that is easily exploited by violent and extreme forces. In some countries, remnants of the old order and its henchmen use violent and unjust means to try to retain their power. Even more dangerous is the threat from the local totalitarian left in Central America which, with Soviet and Cuban support, is now tightening its hold on Nicaragua, carrying out guerrilla and terrorist attacks in other countries of the region, and building unprecedented military forces -- greater than the combined forces of all the countries in the area.

A nonprofit, nonpartisan educational organization formed in 1984 by private citizens who care about democracy, human rights and social justice in Central America.

(In Formation) Morris R. Abram, John M Bennett*, Nicholas D. Biddle, Linden Blue, Francis R. Carroll*, William C. Doherty, Jr.*, Angier Biddle Duke*, J. Peter Grace, Judith Hernstadt, Sidney Hook, John T. Joyce, R. Penn Kemble*, Clark Kerr, Jorge Mas Canosa, Huber Matos, Jr., Michael Novak, Richard Ravitch*, Bayard Rustin*, Albert Shanker, John R. Silber*, Max Singer*, Kenneth B. Smilen*, Ben J. Wattenberg, Mary N. Tempie, *Executive Director*

**Executive Committee Member*

We believe that the citizens of the United States have a profound moral and strategic stake in the victory of democracy in Central America. We believe that either democracy will overcome this challenge, or the region will sink back into repression and violence. If the hope for democracy is extinguished, the result will be more brutality and repression than the region has yet known. This in turn will threaten the security and the values of all Americans.

How can we best respond to these dangers? Among us there may be differing views over how our social and economic assistance to the region should be employed -- but we all agree that significant amounts of such aid are needed. There may be differences over the ways in which U.S. military assistance should be implemented -- but we agree that unless the security of these societies is defended, social and economic assistance is futile.

We all agree that the democratic forces of the region must be encouraged and assisted. For too long Americans have debated economic and military strategies while neglecting the political dimension of the problem.

It is not difficult to determine who is to be included among those democratic forces. They now include the governments of Costa Rica, Honduras, El Salvador and Panama, and the democratic political forces of Nicaragua. They include independent businessmen and their organizations, workers affiliated with free unions, the Roman Catholic Church and other religious groups, professional and other private sector groups. They include the political parties that have participated in democratic elections and accepted the results. These are tested opponents of totalitarianism and oligarchy. And this list is only a beginning.

WHAT PRODEMCA WILL DO

We will join the debate in the United States, which has too often been swayed by those who believe that the region is not ready for democracy, or that the United States cannot act constructively in the region.

We will distribute facts and information about the democratic struggle in the region and in specific countries. We will do this through:

- Mail campaigns to build a grass-roots network throughout the United States to use our materials and speakers in local communities;
- Information distribution -- pamphlets, video cassettes, educational materials, films;

- A newsletter keeping up-to-date on relevant developments in the region, and country by country;
- Computer network distribution of information and materials;
- Visits by Central American leaders to speak to public gatherings, the media, the Congress and government officials, organizations and religious groups, at the national and local level; educational visits to Central America for first hand observation and study by U.S. citizens and leaders;
- Special events -- conferences, forum meetings, teach-ins, etc.;
- A Speakers' Bureau, making available informed spokesmen to organizations and meetings;
- Student activities, including speakers, materials and assistance to campus groups that want to organize a program;
- An information bank and clearinghouse to aid organizations and religious groups, researchers, students and others;
- Special educational programs for the media, Congressional representatives and staff, government officials, and national leaders.

Strong citizens' groups are a hallmark of our democracy. Our goal is to inform and mobilize the public so that our government will stand firm for the democratic ideal.

HOW PRODEMCA WILL OPERATE

Our Committee is composed of individuals from all sectors of American life, who represent no partisan special interests. We welcome the participation of Democrats, Republicans and independents, of liberals and conservatives, of supporters and opponents of the present Administration and its policies.

All of our Council members and officers serve without pay as individuals and not as representatives of any other organizations with which they may be affiliated. PRODEMCA is completely independent of every other organization and is not connected to any government.

Our activities will be wholly financed by voluntary contributions from individuals, corporations and foundations. To ensure that PRODEMCA has a broad base of public support it will not accept any individual contribution in excess of 10% of the Committee's total budget.

We are incorporated in the District of Columbia as an educational non-profit organization. The Internal Revenue Service has determined that we are exempt from federal income tax under section 501 (c)(3) of the U.S. Internal Revenue Code, so that contributions to the Committee are tax deductible; and we will be treated as a publicly supported organization, rather than a private foundation, at least during the current period (through December 31, 1985).

PRODEMCA is governed by its National Council at annual meetings. Between Council meetings the Executive Committee will be responsible for the organization and has full power to act for the Council. Members of the Council and advisory groups are consulted informally by the staff and the Executive Committee about policies and programs. PRODEMCA is a temporary organization. Our only purpose is to help Americans learn the facts about Central America so that the United States will support the pro-democratic forces in the struggle now taking place. We will continue only until our job is completed.

We call upon people from all walks of American life -- business, public affairs, education, the professions, religious groups -- to join with us in this program, to contribute generously and to carry the message to your own friends, organizations and community.

GRANT NO. 86-524-E-024-17.0

GRANT AGREEMENT
BETWEEN
THE NATIONAL ENDOWMENT FOR DEMOCRACY, INCORPORATED,
AND
FRIENDS OF THE DEMOCRATIC CENTER IN CENTRAL AMERICA
(PRODEMCA)

MEMORANDUM OF AGREEMENT, made and entered into by and between the National Endowment for Democracy, Incorporated, a nonprofit corporation located at 1156 Fifteenth Street, N.W., Suite 304, Washington, D.C. 20005 (hereinafter referred to as the "Grantor" or the "Endowment") and the Friends of the Democratic Center in Central America located at 729 15th Street, N.W., Suite 950, Washington, D.C. 20005 (hereinafter referred to as the "Grantee").

WHEREAS, the National Endowment for Democracy Act, P.L. 98-164 (hereinafter referred to as the "Act") and U.S. Information Agency Grant No. 1A-20955-19-G provide that the Endowment [shall] grant funds to carry out the purposes of the Endowment as specified in the Act.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH:

ARTICLE I

PURPOSE

The Endowment hereby awards a grant of $51,500.00 to the Friends of the Democratic Center in Central America (PRODEMCA) to enable the Grantee to carry out program objectives, which are consistent with the purposes set forth in Section 502(b) of the Act, as follows:

(1) To assist La Prensa, a newspaper in Managua, Nicaragua, in obtaining the printing supplies, news services and features, and spare parts required for its continued publication, as outlined in the Program Proposal, Attachment A.

(2) PRODEMCA will make disbursements to International Purchasing and Export, Inc. of 7700 N.W. 54th Street, Suite 114, Miami, Florida 33166 (tel. 305-592-0118) (hereinafter referred to as IPE) to enable IPE to purchase the required supplies, news and feature services, and parts, and make shipments to Managua, Nicaragua with "all risks" insurance. Costs of the supplies and parts charged to the grant funds will reflect their cost to IPE and may include a fifteen percent surcharge.

(3) Disbursements by PRODEMCA to IPE will be made after IPE has provided PRODEMCA with an invoice for the next scheduled shipment to La Prensa of supplies and parts, and monthly payments for news services. A copy of the invoice for the first shipment is attached as a part of Attachment A. Printing supplies, parts, and news and feature services will be limited to those required for the publication of La Prensa and the maintenance of its publishing equipment.

ARTICLE II

A. The period of this agreement shall be from March 1, 1986 through May 31, 1986 unless extended in writing by the mutual agreement of the parties hereafter referred to as grantor and grantee.

ARTICLE III

PAYMENT, ITEMS OF EXPENDITURES, AND ACCOUNTING DATA

A. The funds awarded pursuant to this agreement shall be used to further the objectives described in Article I; shall be paid to the Grantee in accordance with the provisions of Section B. herein below; and shall be expended in accordance with the Items of Expenditure set forth in Section C. herein below.

B. The Grantor shall disburse funds to the Grantee on an as-needed basis. The expenditure projections set forth in Attachment B, Cash Flow Projections should reflect actual anticipated expenditures as closely as possible, and may be revised as necessary. Because of the extensive amount of time involved in overseas transactions, the Endowment will consider cash advances or "anticipated cash requirements" as expenditures for purposes of expenditure estimates. The Grantee shall request a drawdown from the Endowment in a prescribed written format at least five days in advance of the desired disbursement date in order to receive funds. The Endowment may request a revised cash flow schedule as needed.

The Grantee agrees to ensure that surplus funds do not accumulate in Grantee accounts in excess of regular expenditure requirements. At the close of the grant all unspent funds shall be returned to the Endowment.

C. Items of Expenditure. All items of expenditure shall be in accordance with the following amounts:

1. PROGRAM COSTS

a. Supplies and Equipment		
1. Ink	$ 21,574	
2. Printing supplies, parts	25,000	
		$46,574

b. Contractual Services		
1. Wire & feature services		3,426
TOTAL PROGRAM COSTS		$50,000
2. ADMINISTRATIVE COSTS		
a. Salaries	$ 1,000	
b. Communications & Postage	500	
TOTAL ADMINISTRATIVE COSTS		1,500
GRAND TOTAL		$51,500

D. Any transfer of funds between administrative and program categories shall require the prior written approval of the Endowment. Transfers of funds between the above listed items that do not involve transfers between administrative and program categories and that exceed a fifteen percent increase or decrease in any one item may only be made after ten (10) days written notice to the Endowment of the intention to make such a transfer.

E. Allowability of costs incurred under this agreement will be determined generally in accordance with Office of Management and Budget Circular A-122 "Cost Principles for Nonprofit Organizations", Attachment C-2, as in effect on the date of this agreement, until the Endowment and USIA determine which, if any, are applicable to the Endowment.

F. Travel and per diem costs charged to this agreement by the Grantee and its subgrantees shall be limited to the per diem amounts provided for U.S. Government employees for staff and U.S. participants (Attachment C-4). Foreign participants may be provided per diem and allowances not in excess of the amounts provided for International Visitors under the programs of the U.S. Information Agency.

G. The grant made by the Endowment to the Grantee may include the costs of an accounting and reporting system established to meet the requirements of this grant.

H. Compensation made to consultants in amounts exceeding the federal daily maximum rate must be approved by the Endowment on the basis of salary history and standards of comparability.

ARTICLE IV

RESPONSIBILITIES

In carrying out the purpose of this agreement, the Grantee shall be responsible for:

A. Planning, organizing and administering the program to carry out activities consistent with the purposes of the Endowment and the Act, Attachment C-1, and the program objectives in Article I, above.

B. Providing funds to other organizations only for activities which are consistent with the purposes set forth in Section 502(b) of the Act.

C. Providing information to the Endowment on Grantee program activities on a timely basis in order to ensure the responsible implementation of the purposes of the Act.

D. The Grantee shall comply with the requirements of Section 504 of the Act and further shall ensure that the Grantee and its Sub-grantees comply with the audit and reporting requirements of Section 504 (Attachment C-1).

E. The Grantee shall be subject to the appropriate oversight procedures of the Endowment and the Congress. These procedures include the following:

1. The Grantee agrees to keep such records as may be reasonably necessary to fully disclose the amount and the disposition by the Grantee of the funds granted under the terms of this agreement, the total cost of the project or undertaking in connection with which such funds are given or used, and the nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

2. The accounts of the Grantee shall be audited annually. The audit shall be in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States.

   Transactions tested shall also be reviewed to determine whether the Grantee has complied with requirements, limitations and prohibitions described in the grant which may have a material effect upon the Grantee's financial statements. The audits shall be conducted at the place or places where the accounts of the Grantee are normally kept. All books, accounts, financial records, reports, files and all other papers, things, or property belonging to or in use by the Grantee and necessary to facilitate the audits shall be made available to the person or persons conducting the audits; and full facilities for verifying transactions with any assets held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

3. The report of each such independent audit shall be provided to the Endowment. The audit report shall set forth the scope of the audit and include such statements as are necessary to present fairly the Grantee's assets and liabilities, surplus or deficit, with an analysis of the changes therein during the year, and a statement of the application of funds, together with the independent auditor's opinion of those statements. In addition, either the auditor's report or a separate report shall include appropriate statements of positive assurance for those items tested and found in compliance with grant provisions, and negative assurance on those items not tested to the effect that nothing came to the attention of the auditor that caused him to believe untested items were not in compliance. Should the audit disclose any material instances of noncompliance or indication of fraud, abuse or illegal acts, such information shall be included in the report.

4. The financial transactions of the Grantee for each fiscal year may be audited by the General Accounting Office in accordance with such principles and procedures and under such rules and regulations as may be prescribed by the Comptroller General of the United States. Any such audit shall be conducted at the place or places where accounts of the Grantee are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files and all other papers, things, or property belonging to or in use by the Grantee pertaining to its financial transactions and necessary to facilitate the audit; and they shall be afforded full facilities for verifying transactions with any assets held by depositories, fiscal agents and custodians. All such books, accounts, records, reports, files, paper, and property of Grantee shall remain in the possession and custody of the Grantee.

5. The Endowment reserves the right to conduct or have conducted its own audit of the Grantee's records in the exercise of its obligations under the Act and the USIA Grant.

6. Not later than June 30, 1986 the Grantee shall submit a final report to the Endowment. The report shall include a comprehensive and detailed report of the Grantee's operations, activities, financial condition, and accomplishments under the Act and may include such recommendations as the Grantee deems appropriate.

7. The Board member(s) and officers of the Grantee shall be available to testify (together with Board members and officers of the Endowment) before appropriate committees of the Congress with respect to such report, the report of any audit made by the Comptroller General pursuant to the Subsection 504(f) of the Act or any other matter which such committee may determine.

ARTICLE V

REPORTS

The Grantee will retain in the permanent files the following written reports necessary to monitor the progress of program activity and ensure compliance with legislative requirements, copies of which will be sent to the Endowment.

A. Program - The Grantee shall provide to the Endowment a final report on grantee activity as required in Article IV (E)(6). The report is to be in the form specified in Attachment C. This report shall be due June 30, 1986.

B. Financial - The Grantee shall provide a financial report along with the program report referred to in Section A. Reports are to be provided in the form specified in Attachment C.

C. Expenditure Estimates - The Grantee shall provide modifications to expenditure estimates to ensure that excess funds do not accumulate in Grantee accounts as set forth in Article III(B).

ARTICLE VI

GENERAL LIAISON AND CONSULTATION

The Grantee agrees to consult with the Endowment on a regular basis regarding program implementation and evaluation.

ARTICLE VII

NONEXPENDABLE PERSONAL PROPERTY

The provisions of Office of Management and Budget Circular A-110 "Uniform Administrative Requirements, Section N," appended hereto as Attachment C-3, shall apply to any nonexpendable personal property purchased with funds provided by this agreement, except to the extent that the Endowment and USIA determine that such provisions are not applicable.

ARTICLE VIII

LOBBYING

The Grantee agrees that none of the funds provided by this agreement shall be used by the grantee organization or its subgrantees, for lobbying or propaganda which is directed at influencing public policy decisions of the Government of the United States or any State or locality thereof. This provision shall not be construed so as to abridge the right of any grantee organization to exercise the same freedom of speech as is protected by the first article of amendment of the United States Constitution, so long as such organization does not use funds provided under this grant in exercising such right.

ARTICLE IX

PROHIBITION OF POLITICAL ACTIVITY

The Endowment and its Grantees shall make no grants or other expenditures for the purpose of education, training, or informing U.S. audiences of any partisan policy or practice, or candidate for office. This does not exclude making grants or expenditures for the purpose of educating, training, or informing audiences in other countries on the values of democracy that may incidentally educate, train, or inform American participants.

ARTICLE X

DISCRIMINATION

The Grantee agrees to comply with:

A. Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000d et seq., which prohibits discrimination on the basis of race, color or national origin in programs and activities receiving federal financial assistance.

B. Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 794, which prohibits discrimination on the basis of handicap in programs and activities receiving Federal financial assistance.

C. Title IX of the Education Amendments of 1972, as amended, 20 U.S.C. 1681 et. seq., which prohibits discrimination on the basis of sex in education programs and activities receiving Federal financial assistance.

D. The Age Discrimination Act of 1975, as amended, 42 U.S.C. 6101 et. seq., which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance.

ARTICLE XI

PROHIBITED ACTIVITIES

A. The Grantee agrees not to engage in activities unlawful under the laws of the United States, its states, and any subdivisions thereof.

B. There shall be no expenditure by the Endowment or its Grantees for the purpose of supporting physical violence by individuals, groups, or governments.

C. No person engaged in intelligence activity on behalf of the United States government shall be employed by the Endowment or by any of its Grantees.

D. No funds provided hereunder shall be used to finance the campaigns of candidates for public office.

ARTICLE XII

INDEMNITY

The Grantee agrees to indemnify the Endowment and its Officers and Directors, including costs of defense, for any claim made against them arising out of the Grantee's performance of this grant agreement. This indemnity shall be in excess of the Endowment's insurance policies, but not limited by the scope of such policies.

ARTICLE XIII

AMENDMENTS AND MODIFICATIONS

A. No amendment or modification of this Agreement shall have any force or effect unless it is in writing and signed by an authorized representative of the Endowment and the authorized representative of the Grantee organization.

B. Subject to the requirements of Paragraph A of this Article, the Endowment shall have the right to amend or modify this Agreement to conform with any amendments or modifications to the Grant Agreement between the Government of the United States of America and the National Endowment for Democracy, Incorporated that are made subsequent to the signing of this Agreement. In the event that the Endowment exercises its rights to amend or modify this Agreement pursuant to this Paragraph, the Grantee shall have the right to terminate this Agreement, provided that the Grantee returns the unexpended balance of funds provided under this Agreement.

ARTICLE XIV

No special conditions.

ARTICLE XV

A. This grant may be terminated by the grantor if it determines that there is significant noncompliance with the terms and conditions of this grant agreement by the grantee.

B. In the event the grantor believes there is significant noncompliance, the grantor shall inform the grantee of its noncompliance in writing. Within ten working days after receipt of notification, the Grantee may respond to the Endowment indicating steps taken to remedy its noncompliance. Should the grantor determine that these actions are insufficient, it reserves the right to terminate the grant. Such termination must be in writing and must set forth the reasons for termination. In the event of any such termination, the grantor reserves the right to take such action as may be necessary to recover any funds provided hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the dates indicated herein below.

FOR THE GRANTEE		FOR THE NATIONAL ENDOWMENT FOR DEMOCRACY
Richard Penn Kemble	SIGNATURE	Carl Gershman
Richard Penn Kemble	Typed Name	Carl Gershman
Chairman of the Executive Committee of the National Council	Title	President
March 4, 1986	Date	February 28, 1986

FRIENDS OF THE DEMOCRATIC CENTER IN CENTRAL AMERICA
(PRODEMCA)
729 15TH STREET, N.W., SUITE 950, WASHINGTON, D.C. 20005 202/347-1006

ATTACHMENT A

ATTACHMENT A

NATIONAL COUNCIL

ANGIER BIDDLE DUKE
CHAIRMAN
MORRIS ABRAM
ATTORNEY, NEW YORK
PHILIP BAUM
AMERICAN JEWISH CONGRESS
JOHN M. BENNETT*
SAN ANTONIO, TEXAS
NICHOLAS D. BIDDLE
SAN JOSE, COSTA RICA
INDEN BLUE
DENVER, COLORADO
VLADIMIR BUKOVSKY
HOOVER INSTITUTION
STANFORD, CALIFORNIA
FRANCIS R. CARROLL
SMALL BUSINESS SERVICE BUREAU
KEVIN CORRIGAN*
CORPORATE EXECUTIVE, NEW YORK
S. HARRISON DOGOLE
BUSINESSMAN, PHILADELPHIA, PA
WILLIAM C. DOHERTY, JR.*
AMERICAN INSTITUTE FOR FREE
LABOR DEVELOPMENT
JOHN C. DUNCAN
CONSULTANT, ST. JOE
MINERALS CORPORATION
MAURICE A. FERRE
MAYOR OF MIAMI
ORVILLE FREEMAN
FORMER SECRETARY OF AGRICULTURE
J. PETER GRACE
CHAIRMAN, W.R. GRACE & CO.
JUDITH HERNSTADT
LAS VEGAS, NEVADA
THEODORE M. HESBURGH
PRESIDENT, UNIVERSITY OF
NOTRE DAME
SIDNEY HOOK
HOOVER INSTITUTION
STANFORD, CALIFORNIA
SAMUEL P. HUNTINGTON
HARVARD UNIVERSITY
OHN T. JOYCE
PRESIDENT, BRICKLAYERS AND
ALLIED CRAFTSMEN UNION
PENN KEMBLE*
FOUNDATION FOR
DEMOCRATIC EDUCATION
CLARK KERR
PRESIDENT EMERITUS
UNIVERSITY OF CALIFORNIA
EANE J. KIRKPATRICK
FORMER U.S. AMBASSADOR
TO THE UNITED NATIONS
ORGE MAS CANOSA
CUBAN-AMERICAN
NATIONAL FOUNDATION
ICHAEL NOVAK
AMERICAN ENTERPRISE INSTITUTE
ICHARD RAVITCH*
CHAIRMAN, CITY DEVELOPMENT
CORPORATION, INC.
ANIEL ROSE
PRESIDENT, ROSE ASSOCIATES
NEW YORK
ETER R. ROSENBLATT
ATTORNEY, WASHINGTON, D.C.
AYARD RUSTIN*
A. PHILIP RANDOLPH INSTITUTE
OHN R. SILBER*
PRESIDENT, BOSTON UNIVERSITY
VILLIAM E. SIMON
FORMER SECRETARY OF THE TREASURY
AX SINGER*
THE POTOMAC ORGANIZATION
ENNETH B. SMILEN*
CHAIRMAN, SMILEN & SAFIAN
AURICE SONNENBERG*
INVESTMENT CONSULTANT, NEW YORK
V ULLMAN
ACTRESS
EN J. WATTENBERG
COALITION FOR DEMOCRATIC MAJORITY
IE WIESEL
AUTHOR
ARY N. TEMPLE*
EXECUTIVE DIRECTOR

Member of the Executive Committee
All affiliations are for identification
purposes only

January 24, 1986

Marc Plattner
National Endowment for Democracy
1156 Fifteenth Street, N.W.
Ste. 304
Washington, D.C. 20005

Dear Marc:

As agreed in our recent discussions we are presenting a revised budget for 1986. Please note that the only change from the 1985 budget is an increase of $2,000. for administration of the grant.

Please call me if you should have any questions.

Sincerely,

Denise O'Leary
Denise O'Leary
Acting Executive Director

FRIENDS OF THE DEMOCRATIC CENTER IN CENTRAL AMERICA
(PRODEMCA)
729 15TH STREET, N.W., SUITE 950, WASHINGTON, D.C. 20005 202/347-1006

NATIONAL COUNCIL

ANGIER BIDDLE DUKE
CHAIRMAN
MORRIS ABRAM
ATTORNEY NEW YORK
PHILIP BAUM
AMERICAN JEWISH CONGRESS
OHN M. BENNETT*
SAN ANTONIO TEXAS
NICHOLAS D. BIDDLE
SAN JOSE COSTA RICA
INDEN BLUE
DENVER COLORADO
VLADIMIR BUKOVSKY
HOOVER INSTITUTION
STANFORD CALIFORNIA
FRANCIS R. CARROLL
SMALL BUSINESS SERVICE BUREAU
KEVIN CORRIGAN*
CORPORATE EXECUTIVE NEW YORK
HARRISON DOGOLE
BUSINESSMAN PHILADELPHIA PA
WILLIAM C. DOHERTY, JR.*
AMERICAN INSTITUTE FOR FREE
LABOR DEVELOPMENT
OHN C. DUNCAN
CONSULTANT, ST. JOE
MINERALS CORPORATION
MAURICE A. FERRE
MAYOR OF MIAMI
ORVILLE FREEMAN
FORMER SECRETARY OF AGRICULTURE
PETER GRACE
CHAIRMAN W.R. GRACE & CO
UDITH HERNSTADT
LAS VEGAS NEVADA
THEODORE M. HESBURGH
PRESIDENT UNIVERSITY OF
NOTRE DAME
SIDNEY HOOK
HOOVER INSTITUTION
STANFORD CALIFORNIA
SAMUEL P. HUNTINGTON
HARVARD UNIVERSITY
OHN T. JOYCE
PRESIDENT BRICKLAYERS AND
ALLIED CRAFTSMEN UNION
PENN KEMBLE*
FOUNDATION FOR
DEMOCRATIC EDUCATION
CLARK KERR
PRESIDENT EMERITUS
UNIVERSITY OF CALIFORNIA
EANE J. KIRKPATRICK
FORMER U.S. AMBASSADOR
TO THE UNITED NATIONS
ORGE MAS CANOSA
CUBAN-AMERICAN
NATIONAL FOUNDATION
MICHAEL NOVAK
AMERICAN ENTERPRISE INSTITUTE
RICHARD RAVITCH*
CHAIRMAN CITY DEVELOPMENT
CORPORATION INC
ANIEL ROSE
PRESIDENT ROSE ASSOCIATES
NEW YORK
PETER R. ROSENBLATT
ATTORNEY WASHINGTON D.C.
BAYARD RUSTIN*
A. PHILIP RANDOLPH INSTITUTE
OHN R. SILBER*
PRESIDENT, BOSTON UNIVERSITY
VILLIAM E. SIMON
FORMER SECRETARY OF THE TREASURY
MAX SINGER*
THE POTOMAC ORGANIZATION
ENNETH B. SMILEN*
CHAIRMAN SMILEN & SAFIAN
MAURICE SONNENBERG*
INVESTMENT CONSULTANT, NEW YORK
V ULLMAN
ACTRESS
EN J. WATTENBERG
COALITION FOR DEMOCRATIC MAJORITY
IE WIESEL
AUTHOR
ARY N. TEMPLE*
EXECUTIVE DIRECTOR

*ember of the Executive Committee
affiliations are for identification
[illegible]

La Prensa Grant Budget for 1986
(for 10 month period)

Supplies and parts	$ 73,400.00
News and features	$ 19,600.00
Administrative costs	$ 7,000.00
	$100,000.00

A nonprofit, nonpartisan educational organization formed by private citizens who support democracy, human rights and social justice in Central America

FRIENDS OF THE DEMOCRATIC CENTER IN CENTRAL AMERICA
(PRODEMCA)
2000 L STREET, N.W., SUITE 200, WASHINGTON, D.C. 20036 202/466-8264

NATIONAL COUNCIL

ANGIER BIDDLE DUKE
CHAIRMAN
MORRIS ABRAM
ATTORNEY NEW YORK
PHILIP BAUM
AMERICAN JEWISH CONGRESS
JOHN M. BENNETT*
SAN ANTONIO TEXAS
NICHOLAS D. BIDDLE
SAN JOSE COSTA RICA
LINDEN BLUE
DENVER COLORADO
VLADIMIR BUKOVSKY
HOOVER INSTITUTION,
STANFORD, CALIFORNIA
FRANCIS R. CARROLL
SMALL BUSINESS SERVICE BUREAU
KEVIN CORRIGAN*
CORPORATE EXECUTIVE, NEW YORK
S. HARRISON DOGOLE
BUSINESSMAN, PHILADELPHIA, PA
WILLIAM C. DOHERTY, JR.*
AMERICAN INSTITUTE FOR FREE
LABOR DEVELOPMENT
JOHN C. DUNCAN
CONSULTANT, ST. JOE
MINERALS CORPORATION
MAURICE A. FERRE
MAYOR OF MIAMI
ORVILLE FREEMAN
FORMER SECRETARY OF AGRICULTURE
J. PETER GRACE
CHAIRMAN, W.R. GRACE & CO
JUDITH HERNSTADT
LAS VEGAS, NEVADA
THEODORE M. HESBURGH
PRESIDENT, UNIVERSITY OF
NOTRE DAME
SIDNEY HOOK
HOOVER INSTITUTION,
STANFORD, CALIFORNIA
SAMUEL P. HUNTINGTON
HARVARD UNIVERSITY
JOHN T. JOYCE
PRESIDENT, BRICKLAYERS AND
ALLIED CRAFTSMEN UNION
PENN KEMBLE*
FOUNDATION FOR
DEMOCRATIC EDUCATION
CLARK KERR
PRESIDENT EMERITUS,
UNIVERSITY OF CALIFORNIA
JEANE J. KIRKPATRICK
FORMER U.S. AMBASSADOR
TO THE UNITED NATIONS
JORGE MAS CANOSA
CUBAN-AMERICAN
NATIONAL FOUNDATION
MICHAEL NOVAK
AMERICAN ENTERPRISE INSTITUTE
RICHARD RAVITCH*
CHAIRMAN, CITY DEVELOPMENT
CORPORATION, INC
DANIEL ROSE
PRESIDENT, ROSE ASSOCIATES,
NEW YORK
PETER R. ROSENBLATT
ATTORNEY, WASHINGTON, D.C.
BAYARD RUSTIN*
A. PHILIP RANDOLPH INSTITUTE
JOHN R. SILBER*
PRESIDENT, BOSTON UNIVERSITY
WILLIAM E. SIMON
FORMER SECRETARY OF THE TREASURY
MAX SINGER*
THE POTOMAC ORGANIZATION
KENNETH B. SMILEN*
CHAIRMAN, SMILEN & SAFIAN
MAURICE SONNENBERG*
INVESTMENT CONSULTANT, NEW YORK
LIV ULLMAN
ACTRESS
BEN J. WATTENBERG
COALITION FOR DEMOCRATIC MAJORITY
ELIE WIESEL
AUTHOR
MARY N. TEMPLE*
EXECUTIVE DIRECTOR

* Member of the Executive Committee
(All affiliations are for identification

ATTACHMENT A

RECEIVED
NOV 27 1985

November 18, 1985

Mr. Carl Gershman
National Endowment for
Democracy
1150 15th Street, NW
Suite 304
Washington, DC 20005

Dear Mr. Gershman:

As you know, the Endowment's grant to Prodemca to purchase services and supplies for La Prensa in Managua has been fully expended. An independent audit of the grant is now being prepared, and will be available to you soon. My understanding is that Jeffrey Hunter, your controller, is well informed of the arrangements, and believes them to be satisfactory.

It is our belief that both the situation in Nicaragua today and the critical role that La Prensa continues to play in sustaining democratic life in that country requires us to find means of sustaining the paper in the future. It is our earnest hope that the Endowment will renew the grant to La Prensa for the coming year, for at least the amount of the grant for 1985.

La Prensa continues to be the only independent newspaper in Nicaragua. Since the Sandinista government has renewed its state of emergency, La Prensa and all other non-governmental media of communications in the country are under a most rigorous regimen of censorship and restriction. But the value of the paper is undiminished. It is a symbol of the true meaning of Nicaragua's democratic struggle, and of the hopes of Nicaragua's people. The presence of La Prensa's staff in Nicaragua allows vital news gathering to continue: much valuable information is shared among Nicaraguans through La Prensa's offices. News reports which the government prevents La Prensa from publishing are circulated in proof form, and provide an essential means of sharing information about the Nicaraguan reality for Latin Americans, Western Europeans and our own country.

Our working relationships with Mr. Henry J. Lopez Ona and his firm, International Purchasing and Export, Inc., in Miami which manages purchasing and expediting for La Prensa have proved quite satisfactory. So far the Sandinista government has not interfered with our assistance effort.

La Prensa's needs for the coming year will be roughly what they were last year. These include wire services (Reuters, AP, AFP, EFE, etc.), printers ink, and miscellaneous equipment needed to maintain printing presses, typesetting machinery, and related items. We have attached a proposed one-year budget which indicates how the grant will be allocated among these categories of expenditures.

We must also ask that the amount of the grant allocated to administrative expenses be increased from 6% to 8%. We find that communications and other administrative obligations are more difficult and costly than we originally anticipated. We believe that the proportion we are asking for administration is still relatively low, even when raised by a small amount.

We believe that this project has been a credit to the Endowment and that, despite the serious and continuing debate we in the U.S. are having about our government's policy toward Nicaragua, all Americans can agree that this project is a worthy expression of our country's ideals.

Do let me or our staff coordinator in Washington, Ms. Denise O'Leary, know if anything further is needed to complete our application for a renewal of this grant.

With my best regards for the work all of you are doing.

Sincerely,

A. B. Duke

Angier Biddle Duke
Chairman

TELEFONOS:
DIRECCION [illegible]
REDACCION [illegible]
ANUNCIOS 42790

LA PRENSA
KM. 4 1/2 PISTA PEDRO JOAQUIN CHAMORRO C.
APARTADO POSTAL No. 192
TELEX No. 375 1051
MANAGUA, NICARAGUA

TELEFONOS:
P. y VENTA [illegible]
CIRCULACION 41051-42590
CONTABILIDAD [illegible]

OFICIAL TRANSLATION

Mr. Carl Gersham
President
National Endowment for Democracy
1156 15th Street N.W.
Suite 304
Washington, D.C. 20005

Dear Mr. Gersham:

In the name of the Board of Directors and Management of the newspaper LA PRENSA we wish to convey our deepest gratitude for the donation bestowed upon us by the National Endowment for Democracy through the Citizens' Committee for the Pro-Democratic Forces in Central America (PRODEMCA), which made it possible for the newspaper LA PRENSA to be published during a long period of time, as with this donation of US$100,000.00 (One hundred thousand dollars) we were able to import the necessary raw materials starting since January 1985 to last us up until the end of October 1985.

We truly believe that the newspaper LA PRENSA as well as all other forces now struggling in Nicaragua to re-establish a pluralist, representative, Pro-West Democracy, must stay in Nicaragua so as not to abandon the struggle and not deceit the majority of the people of Nicaragua who still have hopes of obtaining one day the true democracy for which they fought to overthrow the opprobrious Somoza's Dictatorship.

The aid thus received was fundamental, as it is well known of the present foreign exchange situation for the importation of raw materials necessary for the publication of the newspaper which every day becomes all the more critical, the Central Bank of Nicaragua has not been able to transfer US$74,758.60 (seventy four thousand seven hundred fifty eight dollars and sixty cents) to our traditional suppliers of paper the ABITIBI PRICE Sales Corporation for the last two orders that were authorized and paid by

.../2/

us to the Central Bank of Nicaragua since April and May 1984.

We have been able to keep on going with limited sales of paper made to us by the Sandinist government from their own stocks of Soviet paper.

Every day there are more difficulties to obtain this cuota of paper apparently because the Soviet Union is reducing paper delivery in such way that at present moment the newspaper is being published thanks to a paper donation we are now receiving from AMERICARES Foundation, NEW CANAAN, CONN.

Officials in charge of supplying us the paper have promised that they will be able to supply our paper orders from shipments they are about to receive in Nicaragua, we do hope it is a reality.

In spite of all, eventhough getting a solution to paper supplying we are very much worried about the continuity flow of all other materials after October 1985, as the aid received from National Endowment for Democracy will be depleted by that date.

We avail ourselves of this opportunity to request from you the renewal of the aid you have granted us during these last ten months which in accordance with our requirements is around US $10,000.00 (ten thousand dollars) monthly, or a total for a similar period of US$100,000.00 (one hundred thousand dollars)

This request should be authorized not later than the month of September so as to be able to place orders before present stocks become depleted.

We do want to insist in pointing out that the struggle now going on in Nicaragua, is fundamental to maintain the Central American Area and eventually all of Latin America free of the leading influence of the Soviet Union, and in this struggle LA PRENSA

TELEFONOS:
DIRECCION 41140-41240
REDACCION 40319-43160
ANUNCIOS 42790

LA PRENSA
KM. 4 1/2 PISTA PEDRO JOAQUIN CHAMORRO C.
APARTADO POSTAL No. 192
TELEX No. 375 1051
MANAGUA, NICARAGUA

TELEFONOS:
P. y VENTA 43490-42890
CIRCULACION 41051-42590
CONTABILIDAD 42690-43370

... /3.

along with pluralists democratic parties, private enterprise, independent labor forces, professional bodies, and the Catholic Church all struggling inside to preserve the values of our Christian westernly culture, all of them playing the fundamental roll, which must be supported specially by an organization as National Endowment for Democracy who has as its pri[illegible] the promotion of Democracy all over the world.

Once again we wish to express our gratitude [illegible] hoping that this request will meet with your positive reaction we are [illegible] ever

Yours very truly

Violeta B. de Chamorro
President
of the Board of Directors
Editorial LA PRENSA, S.A.

Jaime Chamorro C.
Co-Director
Diario LA PRENSA

cc: Senator Orrin Hatch
135 Russel Senate Office Building
Washington, D.C. 20510

Citizens' Committee for the Pro-Democratic
Forces in Central America (PRODEMCA)
200 Park Avenue
Suite 303 E
New York, N.Y., 10166

TELEFONOS
DIRECCION 41183-41860
REDACCION 40319-43160
ANUNCIOS 42790

LA PRENSA
KM 4 1/2 PISTA PEDRO JOAQUIN CHAMORRO C
APARTADO POSTAL No. 192
TELEX No. 375 1061
MANAGUA, NICARAGUA

TELEFONOS
P. VENTA 43490-43800
CIRCULACION 41051-42580
CONTABILIDAD 43990-43370

Managua, 9 de Agosto de 1985.-

Mr. Carl Gershman
President
National Endowment for Democracy
1156 15th Street N.W.
Suite 304
Washington, D.C. 20005.

Estimado Mr. Gershman:

En nombre de la Junta Directiva y de la dirección del diario LA PRENSA, queremos transmitir a usted nuestro agradecimiento por la donación que National Endowment for Democracy nos otorgó por medio del Citizens' Committe for the Pro-Democratic Forces in Central America (PRODEMCA), el cual hizo posible la publicación de LA PRENSA en un largo período, ya que con esta donación de US$100,000.00 (cien mil dólares) pudimos importar materia prima necesaria que comenzando desde Enero de 1985 nos durará hasta finales de Octubre de 1985.

Nosotros creemos que el diario LA PRENSA así como las demás fuerzas que luchan en Nicaragua para restablecer una democracia pluralista, representativa, Pro-Occidental, deben permanecer en Nicaragua para no abandonar el campo de lucha y no defraudar a la mayoría del pueblo de Nicaragua que todavía tiene esperanzas en lograr algún día una democracia verdadera por la que luchó al derrocar a la oprobiosa dictadura Somocista.

La ayuda que recibimos fue fundamental, ya que como es bien sabido la situación de las divisas para importar materia prima necesaria para la publicación del diario es cada día más crítica, el Banco Central de Nicaragua no ha podido remitir US$74,758.60 (setenta y cuatro mil setecientos cincuenta y ocho dolares) a nuestros suplidores tradicionales de papel la ABITIBI PRICE Sales Corporation de los dos últimos pedidos que fueron autorizados y pagados por nosotros al Banco Central desde Abril y Mayo de 1984.

En el rubro de papel hemos subsistido con ventas limitadas de papel que el gobierno Sandinista nos hace de sus existencias de papel soviético.

Cada día hay más dificultades para conseguir esta cuota de papel aparentemente porque la Unión Soviética está reduciendo el envío de papel, de tal forma en este momento estamos publicando el diario gracias a una donación de papel que estamos recibiendo de AMERICARES Foundation, New CA NAAN, CONN.

Los funcionarios encargados de suplirnos el papel nos han prometido que pronto nos podrán suplir papel de pedidos que están por llegar a Nicaragua, lo que esperamos sea una realidad.

De todas maneras, aún resolviéndose el abastecimiento de papel, estamos

TELEFONOS:
DIRECCION 41140-41240
REDACCION 46310-43100
ANUNCIOS 43790

LA PRENSA
KM. 4 1/2 PISTA PEDRO JOAQUIN CHAMORRO C.
APARTADO POSTAL No. 192
TELEX No. 375 1061
MANAGUA, NICARAGUA

TELEFONOS:
P. y VENTA 43480-43800
CIRCULACION 41061-42880
CONTABILIDAD 43800-43370

.../2

preocupados por la continuidad del flujo de los demás materiales después de Octubre de 1985, ya que la ayuda que recibimos de National Endowment for Democracy estará agotada para esa fecha.

Por medio de la presente solicitamos a ustedes la renovación de la ayuda que nos han brindado por otros diez meses, que según nuestras necesidades es de US$10,000.00 (diez mil dólares) mensuales, o sea por un total de US$100,000.00 (cien mil dólares).

Esta solicitud debería de ser autorizada en Septiembre para dar tiempo de hacer los pedidos antes que se agoten los inventarios.

Nosotros queremos insistir en señalar que la lucha que se está dando en Nicaragua, es fundamental para mantener el área centroamericana y eventualmente a toda Latinoamérica fuera de la influencia hegemónica de la Unión Soviética, y en esta lucha LA PRENSA junto con los partidos políticos democráticos y pluralistas, la iniciativa privada, las fuerzas laborales independientes, los gremios profesionales y la Iglesia Católica que luchan dentro para preservar los valores de nuestra cultura cristiana occidental, están haciendo un papel fundamental que debe ser apoyado especialmente por una organización que como la National Endowment for Democracy tiene como primordial tarea el promover la Democracia en el Mundo.

Reiterando nuestro agradecimiento y esperando esta solicitud sea acogida positivamente, con muestras de nuestra más estima y aprecio, quedamos de ustedes,

Atentamente,

Violeta B. de Chamorro
Violeta B. de Chamorro
Presidenta
Junta Directiva
Editorial LA PRENSA, S.A.

Jaime Chamorro C.
Co-Director
Diario LA PRENSA

cc: Senator Orrin Hatch
135 Russell Senate Office Building
Washington, D.C. 20510

Citizens' Committee for the Pro-Democratic
Forces in Central América (PRODEMCA)
200 Park Avenue
Suite 303 E
New York, N.Y. 10166

LA PRENSA S.A.
MANAGUA NICARAGUA
LP
AMÉRICA CENTRAL
EDITORIAL

INTERNATIONAL PURCHASING & EXPORT, INC.
7700 N.W. 54th STREET • SUITE 114 • MIAMI, FLORIDA 33166
P.O. BOX 661082 TELEX 80-8342 PHONE (305) 592-0118
CABLE IMPUREX

RECEIVED
FEB 2 0 1986

February 14, 1986

Mr. Mark Plattener
NATIONAL ENDOWMENT FOR DEMOCRACY
1156 Fifteenth Street N.W., Suite 304
Washington, D.C. 20005

Re: La Prensa
Managua, Nicaragua

Dear Mr., Plattener:

Following our telephone conversation I am now enclosing the Proforma Invoices covering the materials that La Prensa needs urgently at the present, which are as follows:

1.- Proforma for 72 drums of ink for	$21,574.00
2.- Proforma for supply items like plates, chemicals, films, etc. for	$25,000.00
Total	$46,574.00

You may send your check for $50,000.00 so we can proceed ordering these materials for prompt shipment.

As I mentioned to you I will be paying the wire services on a monthly basis, only the current charges, as long as there are enough funds.

Your prompt attention to this matter will be most appreciated.

Sincerely,

INTERNATIONAL PURCHASING
& EXPORT, INC.

Henry Lopez-Ona

Henry Lopez-Ona
Vice President

cc: Prodenca

INTERNATIONAL PURCHASING & EXPORT INC
7200 N.W. 54th STREET • SUITE 114 • MIAMI, FLORIDA 33166
P.O. BOX 661062 TELEX [illegible] PHONE (305) 592-0116

FACTURA PRO-FORMA
PRO-FORMA INVOICE

CLIENTE / CUSTOMER	DIARIO LA PRENSA	FECHA / DATE	FEB. [illegible]
DIRECCION / ADDRESS	APARTADO 192, MANAGUA, NICARAGUA	REFERENCIA / REFERENCE	
CONDICIONES / TERMS	FONDOS PRODEMCA	VIGENCIA / OFFER FOR	30 DIAS
ENTREGA / DELIVERY	4 a 6 SEMANAS		

CANTIDAD QUANTITY	MATERIAL	PRECIO UNIDAD UNIT PRICE	TOTAL
1,500	PLANCHAS WIPE-ON DE 23.1/16 x 33 x .008"	1.70	2,550.00
10	ROLLOS PELICULA CHEMCO 619 DE 6" x 100'	56.60	566.00
10	ROLLOS PELICULA CHEMCO 619 DE 12" x 100'	110.25	1,102.50
10	ROLLOS PELICULA CHEMCO 619 DE 24" x 200'	433.10	4,331.00
48	CUARTOS REVELADOR DE PLANCHAS ANCHOR 4049X	8.15	391.20
20	GALS. FIJADOR POWER FIX CHEMCO	41.90	838.00
30	ROLLOS CINTA ADHESIVA 3M#616 RED LITHO - DE 1/2" x 72 YDS.	3.50	105.00
6	CAJAS PAPEL KODABROME FL DE 7" x 9"	78.80	472.80
25	GALS. REVELADOR DEKTOL, DE 1 GAL.	3.75	93.75
20	ROLLOS PELICULA KODAK TX-402 DE 35mmX100'	25.00	500.00
50	PTES. PAPEL FOTOGRAFICO AGFA BROVIRA SUAVE DE 11" x 17"	37.35	1,892.50
50	PTES. PAPEL FOTOGRAFICO AGFA BROVIRA - NORMAL DE 11" x 17"	37.85	1,892.50
6	TINETAS DE 2.5 GALS. ACTIVADOR A-10	33.00	198.00
[illegible]	TINETAS DE 2.5 GALS. DE-ACTIVADOR S-40	55.00	330.00
50	ROLLOS PAPEL FOTOCOMPOSICION SII SPEC 175- DE 8" x 150'	56.00	2,800.00
20	CASSETTES PAPEL PARA PHOTOTYPOSITOR	12.50	250.00
50	CASSETTES PAPEL FOTOCOMPOSICION SII SPEC-138 DE 35mm x 400'	32.00	1,600.00

Henry López

INTERNATIONAL [illegible] INC.
[illegible] STREET • SUITE [illegible] • MIAMI, FLORIDA [illegible]
[illegible]
CABLE [illegible]

FACTURA PRO-FORMA [illegible]
PRO FORMA INVOICE

[illegible]	DIARIO LA PRENSA	[illegible]	FEB. [illegible]
DIRECCION / ADDRESS	APARTADO 192, MANAGUA, NICARAGUA	REFERENCIA / REFERENCE	
CONDICIONES / TERMS	FONDOS PRODEMCA	VIGENCIA / OFFER FOR	30 DIAS
ENTREGA / DELIVERY	4 - 6 SEMANAS		

CANTIDAD / QUANT.	MATERIAL	PRECIO UNIDAD / UNIT PRICE	TOTAL
10	MANTILLAS COMPRESIBLES VULCAN 714 DE - 46.3/4" x 36.1/4" x .076" CON BARRAS	148.00	1,480.00
36	ROLLOS CINTA ADHESIVA 3M#465 DE DOBLE - CARA. TAMAÑO: 1" x 60 Yds.	7.00	252.00
48	HULES DE 3/4" x 3/4" x 22" SEMI-DURO - PARA DOBLADORA	5.75	276.00
10	GALS. CONCENTRADO SUPER V-2020 ALCALINO	15.80	158.00
20	CUARTOS ACTIVADOR PMT	10.00	200.00
	TOTAL F.O.B. FABRICA		22,279.25
	TRANSPORTE A MIAMI		420.75
	TOTAL F.O.B. MIAMI		22,700.00
	ESTIMADOS GASTOS/EMBARQUE		2,300.00
	TOTAL C.I.F. NICARAGUA		25,000.00

Henry Lopez Ch

FACTURA PRO-FORMA
PRO-FORMA INVOICE

DIARIO LA PRENSA — FEB. 1[illegible], 1986
APARTADO 192, MANAGUA, NICARAGUA
FONDOS PRODEMCA — 30 DIAS
4 SEMANAS

32,400 lbs. (72 x 450 lbs.)	Tinta Negra Offset Arrowlith FLINT INK	$ .51/lb.	$ 16,524.00
	F.O.B. Jacksonville Planta		$ 16,524.00
	Transporte al Puerto		150.00
	Flete Maritimo		4,500.00
	Seguro		200.00
	Documentacion		200.00
	Total C.I.F. Nicaragua		$ 21,574.00

INTERNATIONAL PURCHASING & EXPORT, INC.

La Prensa
Apartment 192, Managua, Nicaragua
PRODEMCA Funds
4 to 6 weeks

February 13, 1986
30 Days

1,500	Printing plates - 23.1 X 33 X .008"
10	Rolls of film - CHEMCO 6" X 100'
10	Rolls of film - CHEMCO 12" X 100'
48	Quarts of developing solution ANCHOR 4049x
20	Gallons of "Power Fix" Fixing Solution - CHEMCO
30	Rolls of of Adhesive Tape
6	Boxes of Kodabrom paper, 7" X 9"
25	Gallons of DEKTOL Developing Solution
20	Rolls of Kodak Film - TX-402 35mmX100'
50	Sheets of of photographic paper AGFA BROVIRA (Soft) - 11" X 17 "
50	Sheets regular photographic paper AGFA BROVIRA - 11" X 17
6	2.5 gallon vats of activator A-10
6	2.5 gallon vats of deactivator S-10
50	Rolls of photocomposition paper
20	Cassettes of paper for phototypositor
50	Cassettes of photocomposition paper

PAGE TWO

10	Compressable printing blankets with bars - 46.3/4" X 36.1/4" X .076"
36	Rolls of doublesided adhesive tape - 1" X 50 yds.
48	Semi-hard rubber washers - 3/4" X 3/4" X 22"
10	Gallons of super-concentrated V-2020 Alkaline
20	Quarts of PMT activator

TOTAl F.O.B. FROM MANUFACTURER
TRANSPORTATION FROM MIAMI
TOTAL F.O.B. MIAMI
ESTIMATED COSTS OF SHIPMENT
TOTAL C.I.F. NICARAGUA

Henry Lopez-Ona

INTERNATIONAL PURCHASING & EXPORT, INC.

La Prensa
Apartment 192, Managua, Nicaragua
PRODEMCA Funds
4 to 6 weeks

February 13, 1986

30 Days

32 400 lbs of ARROWLITH of black offset ink (Flint ink) - 72 X 450 Lbs.

F.O.B. JACKSONVILLE MANUFACTURER
TRANSPORTATION TO PORT
MARITIME FREIGHT
INSURANCE
DOCUMENTATION
TOTAL C.I.F. NICARAGUA

Henry Lopez-O a

ATTACHMENT B

CASH FLOW PROJECTION

FRIENDS OF THE DEMOCRATIC CENTER IN CENTRAL AMERICA
(PRODEMCA)
LA PRENSA
86-524-E-024-17.0

MARCH 1986	$51,500
TOTAL	$51,500

ATTACHMENT C TO FY 1986 GRANT AGREEMENTS

Attachment C	Financial and Accounting Information for Grantee Organizations
Attachment C-1	NED Act, P.L. 98-164-Nov. 22, 1983
Attachment C-2	Office of Management and Budget, Circular A-122 "Cost Principles for Nonprofit Organizations"
Attachment C-3	Office of Management and Budget, A-110 "Grants & Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations"
Attachment C-4	Maximum Per Diem Allowances for Foreign Areas, 1/1/86
Attachment C-5	Payroll Internal Controls

3.3.86

[illegible]

Ms. Denise O'Leary
PRODEMCA
729 15th Street, N.W.
Suite 950
Washington, D.C. 20005

Dear Denise:

Enclosed with this letter are two copies of the grant agreement between the National Endowment for Democracy and PRODEMCA. Please review and sign these agreements and return the copy with Attachments A and B to me as soon as possible. The other copy, with Attachments A through C, should be retained for your files.

Please review Attachment C "Financial Information for Grantee Organizations", carefully. In particular you should note the audit, allowable costs and cash management provisions. If you have any questions, please contact this office as soon as possible.

Sincerely,

Debbie

Deborah I. Tyczenski
Grants Mgmnt. Asst.

1150 Fifteenth Street, N.W. [illegible] Washington, D.C. [illegible] (202) [illegible]

BOARD OF DIRECTORS
[illegible]

PRODEMCA
FRIENDS OF THE DEMOCRATIC CENTER IN CENTRAL AMERICA
729 15TH STREET, N.W., SUITE 950. WASHINGTON, D.C. 20005 202/347-1006

NATIONAL COUNCIL
ANGIER BIDDLE DUKE
CHAIRMAN
MORRIS ABRAM
ATTORNEY, NEW YORK
WILLIAM E. BARLOW
PUBLISHER, NEW YORK
PHILIP BAUM
AMERICAN JEWISH CONGRESS
JOHN M. BENNETT*
SAN ANTONIO, TEXAS
NICHOLAS D. BIDDLE
SAN JOSE, COSTA RICA
LINDEN BLUE
DENVER, COLORADO
VLADIMIR BUKOVSKY
HOOVER INSTITUTION,
STANFORD, CALIFORNIA
FRANCIS R. CARROLL
SMALL BUSINESS SERVICE BUREAU
KEVIN CORRIGAN*
CORPORATE EXECUTIVE, NEW YORK
S. HARRISON DOGOLE
BUSINESSMAN, PHILADELPHIA, PA
WILLIAM C. DOHERTY, JR.*
AMERICAN INSTITUTE FOR FREE
LABOR DEVELOPMENT
JOHN C. DUNCAN
CONSULTANT, ST. JOE
MINERALS CORPORATION
MAURICE A. FERRE
MIAMI, FLORIDA
ORVILLE FREEMAN
FORMER SECRETARY OF AGRICULTURE
J. PETER GRACE
CHAIRMAN, W. R. GRACE & CO
JUDITH HERNSTADT
LAS VEGAS, NEVADA
THEODORE M. HESBURGH
PRESIDENT, UNIVERSITY OF
NOTRE DAME
SIDNEY HOOK
HOOVER INSTITUTION,
STANFORD, CALIFORNIA
SAMUEL P. HUNTINGTON
HARVARD UNIVERSITY
JOHN T. JOYCE
PRESIDENT, BRICKLAYERS AND
ALLIED CRAFTSMEN UNION
PENN KEMBLE*
FOUNDATION FOR
DEMOCRATIC EDUCATION
CLARK KERR
PRESIDENT EMERITUS,
UNIVERSITY OF CALIFORNIA
JEANE J. KIRKPATRICK
FORMER U.S. AMBASSADOR
TO THE UNITED NATIONS
JORGE MAS CANOSA
CUBAN-AMERICAN
NATIONAL FOUNDATION
MICHAEL NOVAK
AMERICAN ENTERPRISE INSTITUTE
RICHARD RAVITCH*
CHAIRMAN, CITY DEVELOPMENT
CORPORATION, INC.
DANIEL ROSE
PRESIDENT, ROSE ASSOCIATES,
NEW YORK
PETER R. ROSENBLATT
ATTORNEY, WASHINGTON, D.C.
BAYARD RUSTIN*
A. PHILIP RANDOLPH INSTITUTE
JOHN R. SILBER*
PRESIDENT, BOSTON UNIVERSITY
WILLIAM E. SIMON
FORMER SECRETARY OF THE TREASURY
MAX SINGER*
THE POTOMAC ORGANIZATION
KENNETH B. SMILEN*
CHAIRMAN, SMILEN & SAFIAN
MAURICE SONNENBERG*
INVESTMENT CONSULTANT, NEW YORK
MARY N. TEMPLE*
NEW YORK
IV ULLMAN
ACTRESS
BEN J. WATTENBERG
COALITION FOR DEMOCRATIC MAJORITY
LIE WIESEL
AUTHOR
DENISE O'LEARY
EXECUTIVE DIRECTOR

*Member of the Executive Committee
All affiliations are for identification

March 3, 1986

Ms. Deborah I. Tyczenski
Grants Management Assistant
National Endowment for Democracy
1156 15th Street, N.W.
Suite 304
Washington, D.C. 20005

Dear Debbie:

Enclosed you will find the signed grant agreement #86-524-E-024-170 and the draw down authorization. I have also enclosed a draw down request.

Please call me if you should have any questions. Thank you.

Sincerely,

Denise O'Leary

Denise O'Leary
Executive Director

Enclosures:

A nonprofit, nonpartisan educational organization formed by private citizens who support democracy, human rights and social justice in Central America.

GRANT NO. 85-524-E-024-03.0

GRANT AGREEMENT
BETWEEN
THE NATIONAL ENDOWMENT FOR DEMOCRACY, INCORPORATED,
AND
PRODEMCA

MEMORANDUM OF AGREEMENT, made and entered into by and between the National Endowment for Democracy, Incorporated, a nonprofit corporation located at 1156 Fifteenth Street, N.W., Suite 304, Washington, D.C. 20005 (hereinafter referred to as the "Grantor" or the "Endowment") and Citizens' Committee for the Pro-Democratic Forces in Central America (PRODEMCA) located at 200 Park Avenue, Suite 303E, New York, New York, 10166 (hereinafter referred to as PRODEMCA).

WHEREAS, the National Endowment for Democracy Act, P.L. 98-164 (hereinafter referred to as [illegible] "Act") and U.S. Information Agency Grant No. 1A-20955-19-[illegible] provide that the Endowment [shall] grant funds to carry out the purposes of the Endowment as specified in the Act.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH:

ARTICLE I

PURPOSE

The Endowment hereby awards a grant of $100,000.00 to PRODEMCA to enable PRODEMCA to carry out program objectives, which are consistent with the purposes set forth in Section 502(b) of the Act, as follows:

(1) To assist La Prensa, a newspaper in Managua, Nicaragua, in obtaining the printing supplies, news services and features, and spare parts required for its continued publication, as outlined in the Program Proposal, Attachment A.

(2) PRODEMCA will make monthly disbursements of $9,500.00 each for a period of ten months to International Purchasing and Export, Inc. of 7700 N.W. 54th Street, Suite 114, Miami, Florida 33166 (tel. 305-592-0118) (hereinafter referred to as IPE) to enable IPE to purchase the required supplies, news and feature services, and parts, and shipment to Managua, Nicaragua with "all risks" insurance. Costs of the supplies and parts charged to the grant funds will reflect their cost to IPE and may include a fifteen percent surcharge.

(3) Monthly disbursements by PRODEMCA to IPE will be made after IPE has provided PRODEMCA with an invoice for the next scheduled shipment to La Prensa of supplies and parts, and monthly payments for news services. A copy of the invoice for the first month's shipment is attached as a part of Attachment A. Printing supplies, parts, and news and feature services will be limited to those required for the publication of La Prensa and the maintenance of its publishing equipment. Costs for supplies and parts may vary from month to month, but such variations shall be reasonable and reflect the current export market price.

(4) The second and subsequent monthly disbursements will be made by PRODEMCA only after receipt of the previous month's shipment has been acknowledged in writing by La Prensa to IPE, and a copy of said receipt has been received by PRODEMCA.

ARTICLE II

A. The period of this agreement shall be from January 4, 1985 through October 31, 1985.

B. The unexpended but obligated balance of funds provided under this agreement shall continue to be available to the Grantee until expended for the specific purposes authorized under this agreement.

C. Funds not obligated by the Grantee during the period specified in A. above shall continue to be available to the Grantee until expended for the purposes authorized under this agreement.

D. Use of unobligated funds for purposes other than those specified under this agreement may be made with the approval of the Endowment.

ARTICLE III

PAYMENT, ITEMS OF EXPENDITURES, AND ACCOUNTING DATA

A. The funds awarded pursuant to this agreement shall be used to further the objectives described in Article I; shall be paid to the Grantee in accordance with the provisions of Section B. herein below; and shall be expended in accordance with the Items of Expenditure set forth in Section C. herein below.

B. The Grantor shall disburse to the Grantee funds on the basis of expenditure projections set forth in Attachment B, Cash Flow Projections. These projections should reflect actual anticipated expenditures as closely as possible, although initially these may be average estimates. Because of the extensive amount of time involved in overseas transactions, the Endowment will consider cash advances or "anticipated cash requirements" as expenditures for purposes of an expenditure estimate. The Grantee must notify the Endowment within five days in advance of the scheduled disbursement date if there are significant changes in requirements for funds. The Grantee agrees to ensure that surplus funds do not accumulate in Grantee accounts in excess of regular expenditure requirements.

C. Items of Expenditure. All items of expenditure shall be in accordance with the following amounts:

1. PROGRAM COSTS		
News and feature services (per month)	$ 2,140.00	
Supplies and parts	7,360.00	
Total per month	$ 9,500.00	
Total Program Costs for ten months		$ 95,000.00
2. ADMINISTRATIVE COSTS		
Communications and postage	$ 400.00	
Travel & per diem	1,600.00	
Consultant fees & expenses (audit)	2,000.00	
Contractual services & professional fees	1,000.00	
Total Administrative Costs		5,000.00
	GRAND TOTAL	$100,000.00

D. Any transfer of funds between administrative and program categories shall require the prior written approval of the Endowment. Transfers of funds between the above listed items that do not involve transfers between administrative and program categories and that exceed a fifteen percent increase or decrease in any one item may only be made after ten (10) days written notice to the Endowment of the intention to make such a transfer.

E. Allowability of costs incurred under this agreement will be determined generally in accordance with Office of Management and Budget Circular A-122 "Cost Principles for Nonprofit Organizations", Attachment C, as in effect on the date of this agreement, until the Endowment and USIA determine which, if any, are applicable to the Endowment.

F. Travel and per diem costs charged to this agreement by the Grantee and its subgrantees shall be limited to the per diem amounts provided for U.S. Government employees for staff and U.S. participants. Foreign participants may be provided per diem and allowances not in excess of the amounts provided for International Visitors under the programs of the U.S. Information Agency.

G. The grant made by the Endowment to the Grantee may include the costs of an accounting and reporting system established to meet the requirements of this grant.

H. Compensation made to consultants in amounts exceeding the federal daily maximum rate must be approved by the Endowment on the basis of salary history and standards of comparability.

ARTICLE IV

RESPONSIBILITIES

In carrying out the purpose of this agreement, the Grantee shall be responsible for:

A. Planning, organizing and administering the program to carry out activities consistent with the purposes of the Endowment and the Act, Attachment D, and the program objectives in Article I, above.

B. Providing funds to other organizations only for activities which are consistent with the purposes set forth in section 502(b) of the Act.

C. Providing information to the Endowment on Grantee program activities on a timely basis in order to ensure the responsible implementation of the purposes of the Act.

D. The Grantee shall comply with the requirements of section 504 of the Act and further shall ensure that the Institute and its Grantees comply with the audit and reporting requirements of Section 504.

E. The Grantee shall be subject to the appropriate oversight procedures of the Endowment and the Congress. These procedures include the following:

1. The Grantee agrees to keep such records as may be reasonably necessary to fully disclose the amount and the disposition by the Grantee of the funds granted under the terms of this agreement, the total cost of the project or undertaking in connection with which such funds are given or used, and the nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

2. The accounts of the Grantee shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified by a regulatory authority of a State or other political subdivision of the United States. The audits shall be conducted at the place or places where the accounts of the Grantee are normally kept. All books, accounts, financial records, reports, files and all other papers, things or property belonging to or in use by the Grantee and necessary to facilitate the audits shall be made available to the person or persons conducting the audits; and full facilities for verifying the transactions with any assets held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

3. The report of each such independent audit shall be included in an annual report to the Endowment. The audit report shall set forth the scope of the audit and include such statements as are necessary to present fairly the Grantee's assets and liabilities, surplus or deficit, with an analysis of the changes therein during the year,

supplemented in reasonable detail by a statement of the Grantee's income and expenses during the year, and a statement of the application of funds, together with the independent auditor's opinion of those statements.

4. The financial transactions of the Grantee for each fiscal year may be audited by the General Accounting Office in accordance with such principles and procedures and under such rules and regulations as may be prescribed by the Comptroller General of the United States. Any such audit shall be conducted at the place or places where accounts of the Grantee are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files and all other papers, things, or property belonging to or in use by the Grantee pertaining to its financial transactions and necessary to facilitate the audit; and they shall be afforded full facilities for verifying transactions with any assets held by depositories, fiscal agents and custodians. All such books, accounts, records, reports, files, paper, and property of Grantee shall remain in the possession and custody of the Grantee.

5. The Endowment reserves the right to conduct or have conducted its own audit of the Grantee's records in the exercise of its obligations under the Act and the USIA Grant.

6. Not later than October 31 of each year, the Grantee shall submit an annual report for the Endowment for incorporation in the Endowment's annual report to the President for transmittal to the Congress. The report shall include a comprehensive and detailed report of the Grantee's operations, activities, financial condition, and accomplishments under the Act and may include such recommendations as the Grantee deems appropriate.

7. The Board member(s) and officers of the Grantee shall be available to testify (together with Board members and officers of the Endowment) before appropriate committees of the Congress with respect to such report, the report of any audit made by the Comptroller General pursuant to the subsection 504(f) of the Act or any other matter which such committee may determine.

ARTICLE V

REPORTS

The Grantee will retain in the permanent files the following written reports, copies of which will be sent to the Endowment.

A. Program

1. The Grantee shall provide to the Endowment, on a regular basis, reports necessary to monitor the progress of program activity and ensure compliance with legislative requirements. Reports are to be in the form specified in Attachment E. Such reports on Grantee program activities are to be provided on a quarterly basis.

2. The Grantee shall prepare an annual report of its program activity (Section IV E. 6. above) for submission to the Endowment in order that this report may be included in the Endowment's annual report to the President and Congress, as required under Section 504(h) of the Act.

B. Financial - The Grantee shall provide financial reports on a regular basis along with the program reports referred to in Sections A.1. and A.2. above. These reports are to be provided on a quarterly and annual basis. Reports are to be provided in the form specified in Attachment E.

C. Expenditure Estimates - The Grantee shall provide modifications to expenditure estimates to ensure that excess funds do not accumulate in Grantee accounts as set forth in Article III. B.

ARTICLE VI

GENERAL LIAISON AND CONSULTATION

The Grantee agrees to consult with the Endowment on a regular basis regarding program implementation and evaluation.

ARTICLE VII

NONEXPENDABLE PERSONAL PROPERTY

The provisions of Office of Management and Budget Circular A-110 "Uniform Administrative Requirements, Attachment N," appended hereto as Attachment F, shall apply to any nonexpendable personal property purchased with funds provided by this agreement, except to the extent that the Endowment and USIA determine that such provisions are not applicable.

ARTICLE VIII

LOBBYING

The Grantee agrees that none of the funds provided by this agreement shall be used by the grantee organization or its subgrantees, for lobbying or propaganda which is directed at influencing public policy decisions of the Government of the United States or any State or locality thereof. This provision shall not be construed so as to abridge the right of any grantee organization to exercise the same freedom of speech as is protected by the first article of amendment of the United States Constitution, so long as such organization does not use funds provided under this grant in exercising such right.

ARTICLE IX

PROHIBITION OF POLITICAL ACTIVITY

The Endowment and its Grantees shall make no grants or other expenditures for the purpose of education, training, or informing U.S. audiences of any partisan policy or practice, or candidate for office. This does not exclude making grants or expenditures for the purpose of educating, training, or informing audiences in other countries on the values of democracy that may incidentally educate, train, or inform American participants.

ARTICLE X

DISCRIMINATION

The Grantee agrees to comply with:

A. Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000d et seq., which prohibits discrimination on the basis of race, color or national origin in programs and activities receiving federal financial assistance.

B. Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 794, which prohibits discrimination on the basis of handicap in programs and activities receiving Federal financial assistance.

C. Title IX of the Education Amendments of 1972, as amended, 20 U.S.C. 1681 et. seq., which prohibits discrimination on the basis of sex in education programs and activities receiving Federal financial assistance.

D. The Age Discrimination Act of 1975, as amended, 42 U.S.C. 6101 et. seq., which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance.

ARTICLE XI

PROHIBITED ACTIVITIES

A. The Grantee agrees not to engage in activities unlawful under the laws of the United States, its states, and any subdivisions thereof.

B. There shall be no expenditure by the Endowment or its Grantees for the purpose of supporting physical violence by individuals, groups, or governments.

C. No person engaged in intelligence activity on behalf of the United States government shall be employed by the Endowment or by any of its Grantees.

D. No funds provided hereunder shall be used to finance the campaigns of candidates for public office.

ARTICLE XII

INDEMNITY

The Grantee agrees to indemnify the Endowment and its Officers and Directors, including costs of defense, for any claim made against them arising out of the Grantee's performance of this grant agreement. This indemnity shall be in excess of the Endowment's insurance policies, but not limited by the scope of such policies.

ARTICLE XIII

AMENDMENTS AND MODIFICATIONS

No amendment or modification of this agreement shall have any force or effect unless it is in writing and signed by an authorized representative of the Endowment and the authorized representative of the Grantee organization.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the dates indicated herein below.

FOR THE GRANTEE		FOR THE NATIONAL ENDOWMENT FOR DEMOCRACY
Mary M. Temple	SIGNATURE	Carl Gershman
Mary M Temple	Typed Name	Carl Gershman
Exec. Director-Prodemca	Title	President
11 Jan 1985	Date	January 4, 1985

Clearance: J. Hunter JH with all necessary attachments

Y. Richmond YR

PRODEMCA
Citizens' Committee for the Pro-Democratic
Forces in Central America

RECEIVED
DEC 0 3 '84

ATTACHMENT A

December 3, 1984

Mr. Carl Gershman, President
National Endowment for Democracy
1156 15th Street, N.W.
Washington, D.C. 20005

Dear Mr. Gershman:

As we discussed on the telephone, PRODEMCA is very concerned about the situation faced by La Prensa, the only independent newspaper in Nicaragua.

The editors have been unable to pay for their essential supplies to continue publication. Therefore, we are requesting a grant of $100,000.00 to provide assistance in this urgent matter. The funds will be used over a period of one year to cover the cost of these essential supplies.

Sincerely,

Mary Temple
Mary N. Temple
Executive Director

MNT/arg

A nonprofit, nonpartisan educational organization formed in 1984 by private citizens who care about democracy, human rights and social justice in Central America.

(in Formation) Morris B. Abram, John M. Bennett*, Nicholas D. Biddle, Linden Blue, Francis R. Carroll*, William C. Doherty, Jr.*, Angier Biddle Duke*, ter Grace, Judith Hernstadt, Sidney Hook, John T. Joyce, R. Penn Kemble*, Clark Kerr, Jorge Mas Canosa, Huber Matos Jr., Michael Novak, Richard Ravitch*, Bayard Rustin*, Albert Shanker, John R. Silber*, Max Singer*, Kenneth E. Smith*, Ben J. Wattenberg, Mary N. Temple, *Executive Director*

Executive Committee Member

1901 North Fort Myer Drive, Arlington, Virginia 22209 (703) 243-2571

INTERNATIONAL PURCHASING & EXPORT, INC.

7700 N. W. 54th STREET • SUITE 114 • MIAMI, FLORIDA 33166
P. O. BOX 661062 TELEX 80-6342 PHONE (305) 592-0118

CABLE: INPUREX

November 20, 1984

Mr. Carl Gershman, President
NATIONAL ENDOWMENT FOR DEMOCRACY
1156 15th Street N.W. Suite 304
Washington, D.C. 20005

Dear Mr. Gershman:

In reference to the proyected grant to LA PRENSA of Managua, Nicaragua, we wish to inform you as follows:

1.- We have been supplying LA PRENSA all their needs for over ten years.

2.- The owners of LA PRENSA, the Chamorro Family, are minority stockholders of this Company.

3.- Because LA PRENSA is not a pro-Government Newspaper, none of their requests for dollars for payment of their imports, have been authorized by the Central Bank of Nicaragua.

4.- It is estimated that the amount of $100,000.00 will cover their import needs for ten months.

5.- The materials we supply to LA PRENSA includes Press Plates and Chemicals, Films, Phototypesetting Paper and related Chemistry, Ink and Spare Parts.

6.- Regarding the form of payment we suggest that every month a transfer of funds for $10,000.00 be credited to our Account #018-147942 with the Southeast Bank N.A. of Miami, Florida.

7.- We will send a copy of every Invoice of shipments made to LA PRENSA to the address you will give us.

8.- Our Company is listed in the Dun & Bradstreet Report with a favorable rating.

9.- If you need credit references, please let us know since we have established credit with over 120 different suppliers in the USA.

Expecting to hear from you at your earliest convenience,

Sincerely yours,

Henry J. Lopez-Oña
Vice President

HLO:mslo

INTERNATIONAL PURCHASING & EXPORT, INC.
7700 N.W. 54th STREET · SUITE 114 · MIAMI, FLORIDA 33166
P.O. BOX 661062 TELEX 80-8342 PHONE (305) 592-0118
CABLE EXPIREX

FACTURA PRO-FORMA
PRO-FORMA INVOICE

CLIENTE CUSTOMER	La Prensa	FECHA DATE	Diciembre 1, 1978
DIRECCION ADDRESS	Managua, Nicaragua	REFERENCIA REFERENCE	
CONDICIONES TERMS	Los de costumbre	VIGENCIA OFFER FOR	30 días
ENTREGA DELIVERY	4 á 6 Semanas		

CANTIDAD QUANTITY	MATERIAL	PRECIO UNIDAD UNIT PRICE	TOTAL
48	Qts revelador Western	$ 7.42	$ 356.16
24	Pts sensibilizador Western	6.10	146.40
20	Gals fijador Power fix Chemco	45.14/4gal	225.70
100	Rollos cinta adhesiva transparente 3M #610 de 1/2"x 72 yds	1.35	135.00
36	Rollos cinta 3M #616 Red Litho de 1/2"x72 yds	3.25	117.00
36	Qts goma Western AGE	4.95	178.20
20	Rollos película TX-402 35 mmx100' #146-9183	23.42	468.40
8	Envases 2.5 gals activador SII (A-10)	31.20	249.60
8	Envases 2.5 gals stabilisador S-40	51.85	414.80
8	Juegos revelador A-B Chemco 819	113.00	904.00
15	Cassettes papel phototypositor	12.50	187.50
54	Rollos phototype SII Kodak 8"x150' Spec 175 #184-2938	52.95	2,859.30
8	Rollos cinta polipropileno 7mmx17,000 pies	67.10	536.80
12	Mantillas compresibles Dayco 46 3/4"x36 1/4"x.075" con barras de cierre	145.50	1,746.00
800	Planchas Front Page 23 1/16"x33"x0.008"	1.70	1,360.00
12	Rollos películas Chemco 619 6"x100'	56.60	679.20
8	Rollos películas Chemco 619 12"x100'	110.25	882.00
6	Rollos películas Chemco 619 24"x200'	433.10	2,598.60
10	Rollos cinta adhesiva ambas caras #465 1"x60 yds	5.70	57.00
18	Gals revelador Dektol #146-4726	3.55	63.90
15	Gals revelador D-76 #146-4817	3.20	48.00
	Transporte a Miami		200.00
	Total FOB Miami		14,413.56
	Estimado Gastos de Embarque		986.44
	Total CIF Managua		$15,400.00

TELEFONOS:
DIRECCION 61140-41240
REDACCION 40310-43100
ANUNCIOS 42700

LA PRENSA
KM. 4 1/2 PISTA PEDRO JOAQUIN CHAMORRO
APARTADO POSTAL No. 192
TELEX No. 375 1051
MANAGUA, NICARAGUA

TELEFONOS:
VENTA 42400-42800
CIRCULACION 41051-42500
CONTABILIDAD 42880-43370

RECEIVED
OCT - 4 1984

Managua Agosto 25, 1984

Mr. Carl Gershman, President
National Endowment For Democracy,
1156 15th. St. N.W. Suite 304,
Washington, D.C. 20005,
U.S.A.

Sr. Presidente:

Por medio de la presente queremos exponer a usted los problemas que afronta el Diario LA PRENSA, para continuar editándose en Nicaragua, debido principalmente a la crisis que vive el país por la falta total de divisas para importar materias primas y servicios noticiosos que tienen que ser pagados en dólares de los Estados Unidos de Norteamérica.

El problema principal por ahora no es el suministro de papel, ya - que el gobierno nos está aprobando divisas para importar papel, aunque de una forma algo irregular y con atrasos de pago, situación que nos aumenta los costos, pero sin hasta el momento habernos afectado las existencias necesarias.

Tenemos existencias de papel hasta finales de Octubre, comprado en - la República de Argentina con una línea de crédito concedida al gobierno de Nicaragua, además de una cantidad de papel soviético que nos vendió el gobierno aquí en Nicaragua y una donación de los periódicos de Noruega de 90 toneladas.

La crisis total de divisas que vive el país, ha sido la causa de que varios pedidos por valor de US$110.523.26 (ver anexo No. 1), ya embarcados, recibidos y pagados por nosotros al Banco Central de Nicaragua (en córdobas) continuen sin ser pagados (en dólares) a los suplidores. Estos pedidos son de papel y materia prima, de tal forma que los suplidores se niegan a embarcar nuevos pedidos hasta no recibir estas cancelaciones, el papel se ha resuelto por otros suplidores, como ya explicamos; pero la materia prima no ha sido resuelto para lo que requerimos de US$28.000.00 - mensuales (ver anexo No. 2), así que nosotros tememos que pronto podamos quedar sin algunos materiales indispensables para publicar el periódico.

LA PRENSA cree que si no se dá alguna solución a este problema corre el peligro de pararse por falta de materiales para su publicación en un - corto plazo, creemos que LA PRENSA es un factor importante en el mantenimiento del pluralismo, y la Democracia en Nicaragua

Hemos pensado en solicitar alguna donación a la Inter American Press

Association (IAPA) o a la American News Paper Association (ANPA) y queremos saber si la National Endowment for Democracy, estaría interesada en avocar fondos por medio de estas asociaciones para que sean usadas en apoyo a LA PRENSA, para así nosotros hacer los contactos adecuados con ellos, o si sería posible una donación directa a LA PRENSA de parte de la National Endowment for Democracy, queremos hacer notar a usted que una donación directa es permitida por las leyes de Nicaragua, con la única condición que sea aprobada y registrada en el Banco Central de Nicaragua antes de ser recibida, hasta el momento el gobierno no ha puesto problemas a estas donaciones en el pasado como el caso de un préstamo de medio millón de dólares que recibimos de la Fundación Alemana Friedrich Naumann para reconstruir LA PRENSA. En Agosto de 1982 recibimos una donación de la compañía americana Chemco Panamerican Inc., la que fue registrada según carta del Banco Central (ver anexo No. 3).

La donación requerida sería de US$100.000 (CIEN MIL DOLARES), para resolver el problema; pero una cantida menor vendría a aliviar el problema inmediato.

Agradeciéndole de antemano la atención que, estamos seguros le dará a la presente quedo de usted con toda consideración y respeto,

Muy atentamente,

JAIME CHAMORRO C.
Gerente Geeeral

cc.: Senator Orrin Hatch
Senate Office Building,
Washington, D.C. 20510,
U.S.A.

Archivo.

JChC/mls.

TELEFONOS
CCION 41140-41240
ACCION 48318-47180
NCIOS 2380

LA PRENSA
KM 4 1/2 PISTA PEDRO JOAQUIN CHAMORRO C.
APARTADO POSTAL No. 192
TELEX No. 375 1051
MANAGUA NICARAGUA

TELEFONOS
P. → VENTA 42480-42980
CIRCULACION 41051-47580
CONTABILIDAD 42680-43378

ANEXO #2

REQUERIMIENTOS DE MATERIA PRIMA

EDITORIAL "LA PRENSA"

1	PLANCHA DE ALUMINIO--------------------------------$	3.000.00
2	PELICULAS PARA FOTOMECANICA-----------------------	6.011.00
3	PELICULA PARA FOTOGRAFIA--------------------------	705.00
4	QUIMICOS PARA PELICULA ---------------------------	1.983.00
5	QUIMICOS PARA PLANCHAS ---------------------------	865.50
6	PAPEL FOTOGRAFICO --------------------------------	2.752.00
7	PAPEL FOTOCOMPOSICION ----------------------------	1.746.00
8	QUIMICOS FOTOCOMPOSICION -------------------------	856.20
9	TINTA --	3.700.00
10	CINTA PARA EMPAQUE -------------------------------	671.00
10	QUIMICOS ROTATIVA --------------------------------	1.148.66
12	QUIMICOS COMPUTADORA -----------------------------	391.50
13	MISCELANEOS FOTOMECANICA, FOTOGRAFIA,-------------	650.00
14	MANTILLAS ROTATIVA -------------------------------	720.14
	TOTAL..........................	$ 25.200.00
	GASTOS DE EMBARQUE.......	2.800.00
		28.000.00
		=========

TELEFONOS
DIRECCION 41140-41240
REDACCION 40319-43160
ANUNCIOS 42790

LA PRENSA
KM 4 1/2 PISTA PEDRO JOAQUIN CHAMORRO C
APARTADO POSTAL No 192
TELEX No. 375 1051
MANAGUA, NICARAGUA

TELEFONOS
VENTAS 42490-42890
CIRCULACION 41051-42590
CONTABILIDAD 42690-41370

RECEIVED
NOV 28 1984

20 de Noviembre de 1984

Mr. CARL GERSHMAN
National Endowment for Democracy
1156 15th. Street, N.W.
Suite 304
Washington D.C. 20005
U.S.A.

Estimado Mr. Gershman:

Ampliando nuestra solicitud de asistencia económica a la Fundación National Eudowment for Democracy, queremos sugerir que la forma más conveniente en caso de que esta fuera aprobada, sería cancelar directamente a nuestros suplidores de materia prima en Miami, Fla.,

INTERNATIONAL PURCHASING & EXPORT, INC.
7700 N.W. 54th Street
Suite 114
Miami Fla. 33166
Teléfono (305) 592-0118
Att. Henry López Oña'

Le informo que en este momento el diario La Prensa se está publicando gracias a un préstamo en dólares que se pagará en moneda nacional por la suma de US$37.690.00 dólares y que fué concedido por la Fundación Friedrich Naumann de la República Federal Alemana con las gestiones de la Fundación Konrad Adenauer y la anuencia del Ministerio de Cooperación Económica de la RFA. Este préstamo fué pagado directamente a International Purchasing & Export, Inc. para abonarse a una línea de crédito que dicha firma nos ha concedido por US$100.000.00 dólares y que estaba sobregirada en más de veinte mil dólares, gracias a lo cual se reanudaron los envíos de materias primas.

Le envío adjunto a la presente, toda la documentación relativa a esta operación para que Ud. esté al tanto de cómo se hizo la negociación. Los documentos adjuntos son:

a) Carta de la Fundación Konrad Adenauer

b) Convenio de préstamo con la Fundación Friedrich Naumann

c) Estado de Cuenta de la línea de crédito que nos concedió la International Purchasing & Export, Inc.

. . . 2

TELEFONOS:
DIRECCION 41140-41960
REDACCION 40310-43100
ANUNCIOS 43790

LA PRENSA
KM. 4 1/2 PISTA PEDRO JOAQUIN CHAMORRO C
APARTADO POSTAL No. 192
TELEX No. 375 1051
MANAGUA, NICARAGUA

TELEFONOS:
P. y VENTA 43490-42890
CIRCULACION 41051-42300
CONTABILIDAD 42890-43370

20/11/84

- 2 -

Mr. Carl Gershman

Finalmente queremos aprovechar la presente para reiterarle la gran importancia que la aprobación de nuestra solicitud tendría para poder continuar publicando La Prensa después de Diciembre de 1984, ya que la falta total de divisas del gobierno de Nicaragua, nos imposibilitará importar más materias primas para seguir operando.

Exponiendole esta situación le hemos escrito una carta al Sr. Ministro del Interior, Comandante Tomás Borge M., de la que le estoy enviando a Ud. fotocopia para que esté enterado de los detalles de nuestra situación.

Esperando verlo pronto en Washington a donde espero llegar a firmar el convenio con la fundación, me suscribo de Ud.con mis más altas muestras de consideración y respeto,

Atentamente,

EDITORIAL LA PRENSA, S. A.

ING. JAIME CHAMORRO C.
Gerente General

cc: Archivo
JCH/isj

TELEFONOS
DIRECCION 41140-41240
REDACCION 40319-43160
ANUNCIOS 42790

LA PRENSA
KM. 4 1/2 PISTA PEDRO JOAQUIN CHAMORRO C.
APARTADO POSTAL No. 192
TELEX No. 375 1051
MANAGUA, NICARAGUA

TELEFONOS
P. y VENTA 42490-42890
CIRCULACION 41051-42590
CONTABILIDAD 42890-43370

20 de Noviembre de 1984

Señor
Ministro del Interior
Comandante de la Revolución
TOMAS BORGE MARTINEZ
Su Despacho

Estimado Comandante:

El objeto de la presente es ponerlo al tanto de la situación del diario LA PRENSA en lo que respecta al abastecimiento de materias primas del exterior que requiere para su publicación.

Este informe se lo envío de acuerdo a su solicitud de tenerlo informado, aparte de lo que Ud. pudiera hacer para mejorar la situación del abastecimiento de las materias primas que requerimos.

Para resumir, quisiera dividir el problema de abastecimiento en dos rubros principales, en primer lugar el papel periódico y en segundo lugar los demás materiales como planchas, películas de fotomecánica, reveladores, sensibilizadores, mantillas, etc., al mismo tiempo estos dos rubros se pueden dividir en dos situaciones diferentes, la situación actual y futuros pedidos, y la segunda, la situación de pedidos ya recibidos o en trámites de aprobación y Aduana.

A continuación exponemos la situación:

I) PAPEL

I-a) Situación actual y futuros pedidos.

El papel actualmente lo estamos comprando a Complejo Papelero de Nicaragua, S. A. (COMPANIC), empresa estatal que se suple de la Unión Soviética, hasta el momento no tenemos problemas pero no sabemos por cuanto tiempo más nos podran suplir.

. . . 2

20/11/84

I-b) Pedidos ya recibidos.

En este rubro del papel, los dos últimos pedidos importados directamente del Canadá que vinieron en Febrero y Marzo de 1984 por US$44.528.94 y US$22.532.32 respectivamente aunque según las ordenes dadas por Ud. fueron aprobados y pagados por nosotros al Banco Central no han sido cancelados a los suplidores ABITIBI-PRICE Sales Corporation.

No dudamos que esto se debe a la falta de divisas que afronta el país, sin embargo los suplidores que enviaron el papel confiados en nuestras promesas que les hicimos de que todo estaba autorizado, no comprenden esta situación y si se requiera nuevamente papel del Canadá estoy seguro que solo embarcarían mediante pago por adelantado o Carta de Crédito Irrevocable.

II) OTRAS MATERIAS PRIMAS

II-a) Situación actual.

En este momento tenemos materias primas entre existencias en bodega, pedidos en Aduana y pedidos por recibir para cubrir nuestras necesidades hasta Diciembre de 1984, y algunos materiales hasta Enero de 1985, en este rubro lo mismo que en el papel, varios pedidos que fueron autorizados según las ordenes dadas por Ud. y que ya fueron cancelados por nosotros al Banco Central no han sido pagados al suplidor International Purchasing & Export, Inc. de Miami por lo que ya nos avisaron que no enviarán nuevos pedidos, (adjunto a la presente, cuadro de todas las importaciones y su situación actual).

El caso de las importaciones de estas materias primas es más grave que lo del papel, ya que el suministro del papel en este momento no depende del pago de los pedidos pendientes por estarlo vendiendo COMPANIC, no así el de las demás materias primas que no recibiremos si no se pagan los pedidos pendientes de cancelación.

II-b) Pedidos futuros.

Desde que vimos que se estaban atrazando las cancelaciones

. . . 3

de los pedidos aprobados, empezamos a gestionar donaciones, o prestamos para ser cubiertos en córdobas con las fundaciones Konrad Adenauer, Friedrich Naumann de Alemania y la National Endawment for Democracy de Washington, USA, de estas gestiones las Fundaciones Alemanas con la anuencia del Ministerio de Cooperación Económica de la RFA (ver carta de la Fundación Konrad Adenauer y contrato con la Fundación Friedrich Naumann que adjuntamos) nos otorgaron cien mil marcos (US$38.000.00) para reforzar una línea de crédito que nos habían concedido nuestros suplidores International Purchasing & Export, Inc. con lo cual nos han enviado materiales que cubren nuestras necesidades hasta Diciembre de 1984, como ya dije anteriormente.

Las gestiones con la National Endowment for Democracy de Washington D.C. USA, estan muy avanzadas con muchas posibilidades para lo cual yo tenía programado viajar a Washington la próxima semana a finalizar las negociaciones que hasta ahora se han hecho por cartas y teléfono y a firmar el contrato en caso de que la solicitud sea aprobada, debido a las nuevas restricciones para viajar no se si podré salir lo cual vendría a obstaculizar esta operación.

Aparte de todo lo que le he expuesto, le quiero informar que los últimos pedidos que han venido o que están en camino, no han sido aprobadas las solicitudes de Importación, en el Ministerio de Industrias estamos teniendo serias dificultades de tal forma que teniendo tinta en Aduana no la hemos podido retirar y sólo tenemos existencias para 15 días, lo mismo que películas para fotomecánica que estamos trabajando con un préstamo que le hicimos a El Nuevo Diario, teniendo nosotros un pedido en Aduana. La falta de autorización de las solicitudes de Importación nos inmaginamos se debe a la falta de divisas, pero resolviendose la cooperación de las fundaciones mencionadas, esto quedaría resuelto, pero en este momento nos está causando serios problemas, en este asunto le pedimos la colaboración a la Teniente Nelba Blandón, pero hasta el momento no hemos tenido resultados positivos.

Resumiéndo:

I) Papel tenemos existencias para tres meses y esperamos que COMPANIC pueda seguirnos supliendo en el futuro, referente a los pedidos anteriores, no se le ha pagado a nuestros su-

TELEFONOS
DIRECCION 41140-41240
REDACCION 40319-43180
ANUNCIOS 42780

LA PRENSA
KM 4 1/2 PISTA PEDRO JOAQUIN CHAMORRO C.
APARTADO POSTAL No. 192
TELEX No. 375 1051
MANAGUA, NICARAGUA

TELEFONOS
P. y VENTA 42490-42880
CIRCULACION 41051-42580
CONTABILIDAD 42690-43370

20/11/84

plidores la suma de US$67.061.14 dólares.

II) Otras materias primas - Existencias hasta Diciembre 84-Enero 85, con buenas posibilidades de cooperación Internacional para unos seis meses más o en caso contrario habría que pagar los pedidos pendientes a nuestros suplidores que suman US$20.800.00 dólares, para operar unos dos meses más a marzo de 85. Las negociaciones de la ayuda solicitada dependen en gran parte de la posibilidad de que yo pueda viajar al exterior.

III) Al mismo tiempo se requiere resolver los pedidos que están en Nicaragua y que por falta de aprobación no se pueden sacar de Aduana.

Esperando haberlo informado de nuestra situación, quedamos a la orden de cualquier aclaración adicional, al mismo tiempo que le prometemos de tenerlo informado sobre nuestra situación.

Sin más a que referirme, quedo de Ud., con mis más altas muestras de mi consideración y respeto,

Atentamente,

ING. JAIME CHAMORRO CARDENAL
Gerente General

cc: Tnte. Nelba C. Blandón
Archivo

JCH/isj

Lista de solicitudes de importación aprobadas por el Ministerio de Industrias, pero que aun no han sido canceladas a los proveedores; éstas solicitudes su valor ya fué depositado en el Banco Central de Nicaragua.

Sol. de Imp. No.	Proveedor:	Valor US$	F/Pago:	Fecha:
1584200601 (Fed. 42-84)	ABiprice. (Sesión No. 88 CAD.)	44,528.94	Giro a Plazo	30-3-84
1584200602 (Fed. 4-84)	Purchasing (Sesion No. 88 CAD.)	14,900.00	" "	30-3-84
1584200308 (Fed. 3-84)	Purchasing. (Sesión No. 85 CAD.)	1,400.00	" "	30-3-84
1584200816 (Fed. 5-84)	Abiprice. (Sesión No. 92 CAD.)	22,532.32	" "	3-5-84
1584200160 (Fed. 1-84)	Purchasing. (Sesion No. 80 CAD.)	4,500.00	" "	10-2-84

Lista de solicitudes de importación en trámite en el ministerio de industrias, las cuales no han sido autorizadas.

Sol. de Imp. No.	Proveedor:	Valor US$	F/Pago:	Fecha:
1584202053 (Fed. No.7-84)	Purchasing.	12,800.00	C/Crédito.	17-7-84
1584202270 (Fed. No.9-84)	Purchasing.	9,000.00	C/Crédito.	20-8-84
1584202463 (Fed. No.10-84)	Purchasing.	2,436.00	Giro a Plazo 90 Días.	18-9-84
1584202576 (Fed. No.12-84)	Purchasing.	972.55	Giro a Plazo 180 Días.	9-10-84

aniel Hidalgo V.
mportaciones.-
: 13-11-84.-

TRANSLATION OF LETTER

Managua August 25, 1984

Mr. Carl Gershman
National Endowment for Democracy
1156 15th Street, N.W., Suite 304
Washington, D.C. 20005
USA

Mr. President:

We would like to take this opportunity to explain to you the problems that "La Prensa" is facing in continuing publication in Nicaragua. The problem is due primarily to the country's crises surrounding a deficiency in a foreign exchange needed for importing primary materials and vital services that must be paid in dollars in the United States of America.

Our primary problem has not been the supply of paper, as the Government has approved for us foreign exchange rates to import paper, although in an inconsistent manner and with delays in payment. This situation has served to escalate our costs, although it has not adversely affected the necessary supply, up to now.

We have a supply of paper sufficient to last through October. This paper was purchased from the Argentine Republic with a line of credit being granted to the Government of Nicaragua. In addition, an amount of Soviet paper was sold to us by the Government here in Nicaragua, and, also, a donation of 90 tons was provided by the Norwegian newspapers.

The exchange rate crises that our country is experiencing has been the cause of various orders, valued at U.S. $110,523.26 (see attachment No. 1), still having not been paid (in dollars) to the suppliers. These orders have been shipped, received and paid for by us to the Banco Central (Central Bank) of Nicaragua (in Cordobas). These orders are for paper and primary materials, the suppliers have refused to ship new orders until the pending transactions have been finalized (written off). The paper supply has been provided for through other suppliers, as we have explained above. But the primary materials have not been resolved, for which we need U.S. $28,000.00 per month (see attachment No. 2), therefore, we may soon be without some materials that are indispensably vital for the continued publication of our newspaper.

We at "La Prensa" are of the belief that unless a solution to this problem is found, we will run the risk of having to close down for lack of materials needed for publishing on a short term basis. We believe that "La Prensa" is an important factor toward the end of maintaining pluralism and democracy in Nicaragua.

We have thought of requesting donations from the Inter-American Press Association (IAPA) or the American Newspaper Association (ANPA), and we would like to know if the National Endowment for Democracy would be interested in providing funds through (by means of) these organizations for the purpose of supporting "La Prensa", and we would accordingly contact them. Or, if possible, a donation made directly to "La Prensa" by the National Endowment for Democracy. We would like to point out to you that a direct donation is permissible under Nicaraguan law, with the sole condition being that the donation be approved and registered at the Banco Central of Nicaragua, prior to its being actually received. Up to now, the government has not presented any problems with donations of this nature in the past. For instance, we received a loan of $500,000.00 from the (German Freidrich Naumann Foundation, for the purpose of rebuilding "La Prensa". Also, in August of 1982 we received a donation from the american company, Chemco Panamerican, Inc. as registered according to a letter from the Banco Central (see attachment No. 3).

The hoped for donation, to solve the problem, would be for U.S. $100,000.00, but a lesser amount would help to alleviate the immediate problem.

Let me thank you beforehand for the attention we are certain you will give this matter. You have my fullest respect and regard.

Most sincerely yours,

Jaime Chamorro C.
General Manager
"La Prensa"

cc: Senator Orrin Hatch
Senate Office Building
Washington, D.C. 20510

Archivo.

JChC/mis.

ATTACHMENT NO. 2

REQUIREMENTS FOR PRIMARY MATERIAL

"LA PRENSA" PUBLISHING COMPANY

1. ALUMINUM PLATE	$ 3,000.00
2. FILM FOR PHOTOMECHANICS	6,011.00
3. PHOTOGRAPHIC FILM	705.00
4. CHEMICALS FOR FILM	1,983.00
5. CHEMICALS FOR PLATES	865.50
6. PHOTOGRAPHIC PAPER	2,752.00
7. PHOTOCOMPOSITION PAPER	1,746.00
8. PHOTOCOMPOSITION CHEMICALS	856.20
9. INK	3,700.00
10. PACKING TAPE	671.00
11. ROTARY CHEMICALS	1,148.66
12. COMPUTER CHEMICALS	391.50
13. MISCELLANEOUS PHOTOGRAPHY, PHOTOMECHANICS	650.00
14. ROTARY MOLDS	720.14
TOTALS	$25,200.00
SHIPPING COSTS	2,800.00
	$28,000.00

TRANSLATION OF LETTER

November 20, 1984

Dear Mr. Gershman

As an addendum to our request for economic assistance from the National Endowment For Democracy Foundation, we would like to suggest, in the event that such aid would be approved, that it would be most convenient to directly "cancel", or write off, our suppliers of prime materials, in Miami, Florida.

International Purchasing & Exports, Inc.
7700 N.W. 54th Street
Suite 114
Miami, Florida 33166
Attention: Henry Lopez Ona
Telephone (305) 592-0118

Let me inform you that at present the "La Prensa" Daily is being published thanks to a loan, made in dollars, that will be paid in national currency, in the amount of U.S. $37,690.00. It was provided by the Friedrich Naumann Foundation of the Federal German Republic, with the negotiation of the Konrad Adenauer Foundation, and with the approval of the Ministry of Economic Cooperation of the FGR. This loan was paid directly to International Purchasing & Export, Inc. in order to establish a line of credit which said firm has given us in the amount of U.S. $100,000.00 and which has an overdraft of more than $20,000.00 which made possible the shipping of prime materials again.

Enclosed find all documentation pertaining to this transaction so that you will be fully aware of how it came about. The attached documents are as follows:

a) Letter from the Konrad Adenauer Foundation

b) Loan agreement with the Friedrich Naumann Foundation

c) Statement of Account of the line of credit established by International Purchasing & Export, Inc.

Finally, we would like to take this opportunity to reemphasize how crucial and important the approval of our request would be in allowing further publishing of "La Prensa" after December of 1984, as the Nicaraguan government's complete deficiency in foreign exchange would make impossible the importation of prime materials, indispensable to our continued operations.

We have written a letter explaining our situation, to Commander Tomas Borge M., Minister of the Interior. I am enclosing a photocopy of that letter so that you will be aware of the specifics of our situation (Addendum D).

I hope to see you soon in Washington, where I am hoping I will be able to sign the agreement with the Foundation. With my highest expression of consideration and respect.

Sincerely yours,

Jaime Chamorro C.
General Manager of
"La Prensa"

cc: Archivo
JCH/isj

Addendum D

November 20, 1984

Tomas Borge Martinez
Minister of Interior
Commander of the Revolution

Dear Commander:

The purpose of this letter is to update you on La Prensa's situation with regard to the supplying of primary materials, arriving from the exterior, that are necessary for publication.

I am sending this report to you in accordance with your request to be so informed and with hope that you may be able to improve the situation regarding the supplying of primary materials that we require.

To summarize, I would like to divide the problem of supply, or provision, in two principal headings: in the first instance, newsprint paper, and, secondly, the remaining materials such as plates, photomechanics film, developers, etc. At the same time, these two headings can be divided in two different situations: the present situation with future orders, and secondly, the situation of orders already received or in a stage of approval or in customs.

Following is a description of the situation:

I PAPER

Ia. Presently, we are purchasing the paper from "Complejo Papelero de Nicaragua, S.A." (COMPANIC), a state company supplied by the Soviet Union. Up to now, we have not had any problems, but we do not know how much longer they will be able to supply us.

Ib. ORDERS ALREADY RECEIVED.

Under this heading of "paper", the last two orders imported directly from Canada that arrived in February and March of 1984, for the amounts of U.S. $44,528.94 and U.S. $22,532.32, respectively, have not been "canceled" by the suppliers; ABITIBI-PRICE SALES CORPORATION (although, according to orders given by you they were approved and paid by us to the Banco Central).

We do not doubt that this is due to the lack of the foreign exchange rates that faces the nation. However, the suppliers who shipped the paper did so confidently assuming as accurate our promises that everything was fully authorized. They do not understand our situation, and if paper were required from Canada again, I am confident they would transact a shipment to us only through payment in advance or an irrevocable letter of credit.

II. OTHER PRIMARY MATERIALS

IIa. PRESENT SITUATION

We presently have primary materials in: warehouse storage, orders in customs, and orders yet to be received, sufficient to cover our needs until December, 1984; and some materials to last until January, 1985. Under this heading, as with the "paper" heading, many orders that were authorized in accordance with orders given by you and that were finalized ["cancelled"] by us at the Banco Central, have not been paid to the supplier - International Purchasing & Export, Inc. of Miami. They have advised us that they will not send new orders. (See attached: Chart of all importations and their present situation).

The circumstances of the importation of primary materials is more serious than that of paper, as the providing of paper presently does not depend on the payment of pending orders, because it is available through COMPANIC. If the pending orders are not paid for, we will not receive the remaining primary materials.

IIb. FUTURE ORDERS

Since we saw that cancellation of the pending orders were being delayed, we began to solicit donations, or loans, to be converted into cordobas, from these foundations: Konrad Adenauer, Friedrich Naumann, both of Germany, and the National Endowment for Democracy of Washington, U.S.A. The German Foundations, with the sanction of the Ministry of Economic Cooperation of the FGR (see attached letter to the Konrad Adenauer Foundation and conl now have taken place through letters or by phone, and to sign a contract, providing the request were approved. However, due to the recent travel restrictions. I do not know if I will be able to leave, which would serve to place an obstacle in this operation.

In addition to everything which I have presented, I would like to inform you that the latest orders which have arrived, or that are enroute, have not been approved for (formal) request for importation by the Ministry of Industry. We are having sl now have taken place through letters or by phone, and to sign a contract, providing the request were approved. However, due to the recent travel restrictions, I do not know if I will be able to leave, which would serve to place an obstacle in this operation.

In addition to everything which I have presented, I would like to inform you that the latest orders which have arrived, or that are enroute, have not been approved for (formal) request for importation by the Ministry of Industry. We are having serious difficulties with having ink presently in customs and not being able to use it, with our present supply lasting only 15 more days. Also, the same with photomechanics film -- we are working with a loan we made with El Nuevo Diario (our order remaining in customs). With the cooperation of the Foundations, mentioned above, our problems, in large measure, would be solved, but at this time we are having serious problems. We have asked for the collaboration of Lieutenant Nelba Blandon, but up to now, we have not obtained any positive results.

IN SUMMARY:

I) PAPER - We have enough to last 3 months and we expect that COMPANIC will continue to supply us in the future. With reference to the previous orders, our suppliers have not been paid a total of U.S. $67,061.14.

II) OTHER PRIMARY MATERIALS - Sufficient to last until December, 1984-January 1985 -- with excellent possibilities, through international assistance, for sufficient aid to last another six months. Or, if international aid is not forthcoming, the pending orders would have to be paid to our suppliers, totaling U.S. $20,000.00, in order to be able to operate for two months more until March, 1985. The negotiations for requested assistance depend, in large part, on my being able to travel abroad (to the exterior).

III). At the same time, it is necessary to resolve the problem of the orders that are in Nicaragua, that because of lack of approval, cannot be transferred from customs.

Hopeful that we have fully informed you of our situation, we are at your orders to provide any additional clarifying, or details, and we promise to continue to keep you fully informed about our situation.

Jaime Chamorro Cardenal
General Manager

cc: Tnte. Nelba C. Blandon
Archivo

JCH/isj

Addendum D:

List of request for importation approved by the Ministry of Industry, but that have not yet been cancelled by the suppliers; these requests have been deposited in the Banco Central of Nicaragua.

IMP. REQ. NO.	SUPPLIER	VALUE U.S.$	TERMS	DATE
1584Z00601 (ORDER #2-84)	ABIPRICE (SESSION NO.88 CAD)	$44,528.94	CONSIGMENT	3/30/84
1584Z00602 (ORDER 4-84)	PURCHASING (SESSION NO.88 CAD)	14,900.00	"	3/30/84
1584Z00308 (ORDER 3-84)	PURCHASING (SESSION NO.85 CAD)	1,400.00	"	3/30/84
1584Z00816 (ORDER 5-84)	ABIPRICE (SESSION NO.92 CAD)	22,532.32	"	5/03/84
1584Z00160 (ORDER 1-84)	PURCHASING (SESSION NO.80 CAD)	4,500.00	"	2/10/84

List of requests for importation in transit with the Ministry of Industry, which have not been approved.

1584Z02063 (ORDER #7-84)	PURCHASING	12,800.00	C/CREDIT	7/17/84
1584Z02270 (ORDER #9-84)	PURCHASING	9,000.00	C/CREDIT	8/20/84
1584Z02463 (ORDER #10-84)	PURCHASING	2,436.00	CONSIGNMENT 90 DAYS	9/18/84
1584Z02576 (ORDER #12-84)	PURCHASING	972.55	CONSIGNMENT 180 DAYS	10/9/84

SIGNED
Daniel Hidalgo V.
Importations
F: 11/13/84

ATTACHMENT B

PRODEMCA

CASH FLOW PROJECTIONS

January 1985	$ 10,000.00
February 1985	10,750.00
March 1985	9,900.00
April 1985	9,900.00
May 1985	9,900.00
June 1985	9,900.00
July 1985	9,900.00
August 1985	9,900.00
September 1985	9,900.00
October 1985	9,950.00
GRAND TOTAL	$100,000.00

GRANT NO. 85-524-P-024-08.0

GRANT AGREEMENT
BETWEEN
THE NATIONAL ENDOWMENT FOR DEMOCRACY, INCORPORATED,
AND
THE FRIENDS OF THE DEMOCRATIC CENTER IN CENTRAL AMERICA

MEMORANDUM OF AGREEMENT, made and entered into by and between the National Endowment for Democracy, Incorporated, a nonprofit corporation located at 1156 Fifteenth Street, N.W., Suite 304, Washington, D.C. 20005 (hereinafter referred to as the "Grantor" or the "Endowment") and the Friends of the Democratic Center in Central America (PRODEMCA) located at 200 Park Avenue, Suite 303E, New York, NY 10166 (hereinafter referred to as the "Grantee").

WHEREAS, the National Endowment for Democracy Act, P.L. 98-164 (hereinafter referred to as the "Act") and U.S. Information Agency Grant No. 1A-20955-19-G provide that the Endowment [shall] grant funds to carry out the purposes of the Endowment as specified in the Act.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH:

ARTICLE I

PURPOSE

The Endowment hereby awards a grant of $200,000.00 to PRODEMCA to enable PRODEMCA to carry out program objectives, which are consistent with the purposes set forth in Section 502(b) of the Act, as follows:

(1) to assist a broadly based collection of democratic political, civic and economic groups in Nicaragua to establish a Nicaraguan Center for Democratic Studies. The Center will be a private, non-partisan entity devoted to the study and discussion of democratic ideas and their potential application in Nicaragua. Research will be conducted, meetings held, exchange visits organized, training programs carried out and information disseminated on such issues as freedom of the press, free trade unions, property rights, private enterprise, an open agricultural sector, freedom of religion, political, civil and human rights, and the rule of law. Details of the project are outlined in the program proposal, Attachment A1.

(2) to assist in translating, publishing and distributing the documents of the Nicaraguan Permanent Commission on Human Rights (CPDH). An outline of the project and examples of the publications are included as Attachment A2.

ARTICLE II

A. The period of this agreement shall be from May 1, 1985 through June 30, 1986 unless extended in writing by the mutual agreement of the parties hereafter referred to as grantor and grantee.

ARTICLE III

PAYMENT, ITEMS OF EXPENDITURES, AND ACCOUNTING DATA

A. The funds awarded pursuant to this agreement shall be used to further the objectives described in Article I; shall be paid to the Grantee in accordance with the provisions of Section B. herein below; and shall be expended in accordance with the Items of Expenditure set forth in Section C. herein below.

B. The Grantor shall disburse funds to the Grantee on an as-needed basis. The expenditure projections set forth in Attachment B, Cash Flow Projections should reflect actual anticipated expenditures as closely as possible, and may be revised as necessary. Because of the extensive amount of time involved in overseas transactions, the Endowment will consider cash advances or "anticipated cash requirements" as expenditures for purposes of expenditure estimates. The Grantee shall request a drawdown from the Endowment in a prescribed written format at least five days in advance of the desired disbursement date in order to receive funds. The Endowment may request a revised cash flow schedule as needed.

The Grantee agrees to ensure that surplus funds do not accumulate in Grantee accounts in excess of regular expenditure requirements. At the close of the grant all unspent funds shall be returned to the Endowment.

C. Items of Expenditure. All items of expenditure shall be in accordance with the following amounts:

1. PROGRAM COSTS

a. NICARAGUAN CENTER FOR DEMOCRATIC STUDIES

1. Study Area Task Forces & Conferences includes honoraria, facilities, publications and material, supplies, translation services, etc.		$ 15,000
2. Publications & documentation, printing,		
studies & documentation	$ 14,500	
distribution	6,700	
Subtotal		21,200
3. Exchange Trips & Visitor's Program meetings		29,900
4. Training Institutes		22,500

5. Salaries & Benefits		
Executive Assistant	8,000	
Executive Secretary	6,000	
Office Assistant	4,500	
Social Security	3,000	
Subtotal		21,500
6. Equipment, services & supplies		14,900
TOTAL NICARAGUAN CENTER FOR DEMOCRATIC STUDIES		$125,000
b. PERMANENT COMMISSION ON HUMAN RIGHTS		
1. Personnel @ $500/month	$ 6,500	
2. Translation at $819.25/month	9,831	
3. Publishing @ $848.25/month	10,179	
4. Postage and Distribution	16,890	
5. Other $50/month	600	
SUBTOTAL PERMANENT COMMISSION ON HUMAN RIGHTS		44,000
TOTAL PROGRAM COSTS		$169,000
2. ADMINISTRATIVE COSTS (PRODEMCA)		
a. Nicaraguan Center for Democratic Studies		
1. Site visits (4 @ $1,000)	$ 4,000	
2. Telephone	1,000	
3. Administration (1/2 staff time)	18,000	
4. Audit	2,000	
Subtotal		$ 25,000
b. Permanent Commission on Human Rights Travel & staff		6,000
TOTAL ADMINISTRATIVE COSTS		$ 31,000
GRAND TOTAL		$200,000

D. Any transfer of funds between administrative and program categories shall require the prior written approval of the Endowment. Transfers of funds between the above listed items that do not involve transfers between administrative and program categories and that exceed a fifteen percent increase or decrease in any one item may only be made after ten (10) days written notice to the Endowment of the intention to make such a transfer.

E. Allowability of costs incurred under this agreement will be determined generally in accordance with Office of Management and Budget Circular A-122 "Cost Principles for Nonprofit Organizations", Attachment C-2, as in effect on the date of this agreement, until the Endowment and USIA determine which, if any, are applicable to the Endowment.

F. Travel and per diem costs charged to this agreement by the Grantee and its subgrantees shall be limited to the per diem amounts provided for U.S. Government employees for staff and U.S. participants (Attachment C-4). Foreign participants may be provided per diem and allowances not in excess of the amounts provided for International Visitors under the programs of the U.S. Information Agency.

G. The grant made by the Endowment to the Grantee may include the costs of an accounting and reporting system established to meet the requirements of this grant.

H. Compensation made to consultants in amounts exceeding the federal daily maximum rate must be approved by the Endowment on the basis of salary history and standards of comparability.

ARTICLE IV

RESPONSIBILITIES

In carrying out the purpose of this agreement, the Grantee shall be responsible for:

A. Planning, organizing and administering the program to carry out activities consistent with the purposes of the Endowment and the Act, Attachment C-1, and the program objectives in Article I, above.

B. Providing funds to other organizations only for activities which are consistent with the purposes set forth in Section 502(b) of the Act.

C. Providing information to the Endowment on Grantee program activities on a timely basis in order to ensure the responsible implementation of the purposes of the Act.

D. The Grantee shall comply with the requirements of Section 504 of the Act and further shall ensure that the Grantee and its Sub-grantees comply with the audit and reporting requirements of Section 504 (Attachment C-1).

E. The Grantee shall be subject to the appropriate oversight procedures of the Endowment and the Congress. These procedures include the following:

1. The Grantee agrees to keep such records as may be reasonably necessary to fully disclose the amount and the disposition by the Grantee of the funds granted under the terms of this agreement, the total cost of the project or undertaking in connection with which such funds are given or used, and the nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

2. The accounts of the Grantee shall be audited annually. The audit shall be in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States.

   Transactions tested shall also be reviewed to determine whether the Grantee has complied with requirements, limitations and prohibitions described in the grant which may have a material effect upon the Grantee's financial statements. The audits shall be conducted at the place or places where the accounts of the Grantee are normally kept. All books, accounts, financial records, reports, files and all other papers, things, or property belonging to or in use by the Grantee and necessary to facilitate the audits shall be made available to the person or persons conducting the audits; and full facilities for verifying transactions with any assets held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

3. The report of each such independent audit shall be provided to the Endowment. The audit report shall set forth the scope of the audit and include such statements as are necessary to present fairly the Grantee's assets and liabilities, surplus or deficit, with an analysis of the changes therein during the year, and a statement of the application of funds, together with the independent auditor's opinion of those statements. In addition, either the auditor's report or a separate report shall include appropriate

statements of positive assurance for those items tested and found in compliance with grant provisions, and negative assurance on those items not tested to the effect that nothing came to the attention of the auditor that caused him to believe untested items were not in compliance. Should the audit disclose any material instances of noncompliance or indication of fraud, abuse or illegal acts, such information shall be included in the report.

4. The financial transactions of the Grantee for each fiscal year may be audited by the General Accounting Office in accordance with such principles and procedures and under such rules and regulations as may be prescribed by the Comptroller General of the United States. Any such audit shall be conducted at the place or places where accounts of the Grantee are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files and all other papers, things, or property belonging to or in use by the Grantee pertaining to its financial transactions and necessary to facilitate the audit; and they shall be afforded full facilities for verifying transactions with any assets held by depositories, fiscal agents and custodians. All such books, accounts, records, reports, files, paper, and property of Grantee shall remain in the possession and custody of the Grantee.

5. The Endowment reserves the right to conduct or have conducted its own audit of the Grantee's records in the exercise of its obligations under the Act and the USIA Grant.

6. Not later than July 31, 1986 the Grantee shall submit a final report to the Endowment. The report shall include a comprehensive and detailed report of the Grantee's operations, activities, financial condition, and accomplishments under the Act and may include such recommendations as the Grantee deems appropriate.

7. The Board member(s) and officers of the Grantee shall be available to testify (together with Board members and officers of the Endowment) before appropriate committees of the Congress with respect to such report, the report of any audit made by the Comptroller General pursuant to the Subsection 504(f) of the Act or any other matter which such committee may determine.

ARTICLE V

REPORTS

The Grantee will retain in the permanent files the following written reports necessary to monitor the progress of program activity and ensure compliance with legislative requirements, copies of which will be sent to the Endowment.

A. Program

1. The Grantee shall provide to the Endowment quarterly reports on grantee activity. Reports are to be in the form specified in Attachment C. and will be due on the dates specified by the reporting schedule in Attachment C.

2. The Grantee shall prepare a Final Report as required in Article IV (E)(6), which is due July 31, 1986.

B. Financial - The Grantee shall provide financial reports along with the program reports referred to in Section A.1 and A.2 above. Reports are to be provided in the form specified in Attachment C.

C. Expenditure Estimates - The Grantee shall provide modifications to expenditure estimates to ensure that excess funds do not accumulate in Grantee accounts as set forth in Article III(B).

ARTICLE VI

GENERAL LIAISON AND CONSULTATION

The Grantee agrees to consult with the Endowment on a regular basis regarding program implementation and evaluation.

ARTICLE VII

NONEXPENDABLE PERSONAL PROPERTY

The provisions of Office of Management and Budget Circular A-110 "Uniform Administrative Requirements, Section N," appended hereto as Attachment C-3, shall apply to any nonexpendable personal property purchased with funds provided by this agreement, except to the extent that the Endowment and USIA determine that such provisions are not applicable.

ARTICLE VIII

LOBBYING

The Grantee agrees that none of the funds provided by this agreement shall be used by the grantee organization or its subgrantees, for lobbying or propaganda which is directed at influencing public policy decisions of the Government of the United States or any State or locality thereof. This provision shall not be construed so as to abridge the right of any grantee organization to exercise the same freedom of speech as is protected by the first article of amendment of the United States Constitution, so long as such organization does not use funds provided under this grant in exercising such right.

ARTICLE IX

PROHIBITION OF POLITICAL ACTIVITY

The Endowment and its Grantees shall make no grants or other expenditures for the purpose of education, training, or informing U.S. audiences of any partisan policy or practice, or candidate for office. This does not exclude making grants or expenditures for the purpose of educating, training, or informing audiences in other countries on the values of democracy that may incidentally educate, train, or inform American participants.

ARTICLE X

DISCRIMINATION

The Grantee agrees to comply with:

A. Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000d et seq., which prohibits discrimination on the basis of race, color or national origin in programs and activities receiving federal financial assistance.

B. Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 794, which prohibits discrimination on the basis of handicap in programs and activities receiving Federal financial assistance.

C. Title IX of the Education Amendments of 1972, as amended, 20 U.S.C. 1681 et. seq., which prohibits discrimination on the basis of sex in education programs and activities receiving Federal financial assistance.

D. The Age Discrimination Act of 1975, as amended, 42 U.S.C. 6101 et. seq., which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance.

ARTICLE XI

PROHIBITED ACTIVITIES

A. The Grantee agrees not to engage in activities unlawful under the laws of the United States, its states, and any subdivisions thereof.

B. There shall be no expenditure by the Endowment or its Grantees for the purpose of supporting physical violence by individuals, groups, or governments.

C. No person engaged in intelligence activity on behalf of the United States government shall be employed by the Endowment or by any of its Grantees.

D. No funds provided hereunder shall be used to finance the campaigns of candidates for public office.

ARTICLE XII

INDEMNITY

The Grantee agrees to indemnify the Endowment and its Officers and Directors, including costs of defense, for any claim made against them arising out of the Grantee's performance of this grant agreement. This indemnity shall be in excess of the Endowment's insurance policies, but not limited by the scope of such policies.

ARTICLE XIII

AMENDMENTS AND MODIFICATIONS

No amendment or modification of this agreement shall have any force or effect unless it is in writing and signed by an authorized representative of the Endowment and the authorized representative of the Grantee organization.

ARTICLE XIV

Special conditions - None.

ARTICLE XV

A. This grant may be terminated by the grantor if it determines that there is significant noncompliance with the terms and conditions of this grant agreement by the grantee.

B. In the event the grantor believes there is significant noncompliance, the grantor shall inform the grantee of its noncompliance in writing. Within ten working days after receipt of notification, the Grantee may respond to the Endowment indicating steps taken to remedy its noncompliance. Should the grantor determine that these actions are insufficient, it reserves the right to terminate the grant. Such termination must be in writing and must set forth the reasons for termination. In the event of any such termination, the grantor reserves the right to take such action as may be necessary to recover any funds provided hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the dates indicated herein below.

FOR THE GRANTEE		FOR THE NATIONAL ENDOWMENT FOR DEMOCRACY
Angier Biddle Duke	SIGNATURE	Carl Gershman
Angier Biddle Duke	Typed Name	Carl Gershman
Chairman	Title	President
22 August 1985	Date	August 15, 1985

ATTACHMENT A1

A PROPOSAL FOR:
A NICARAGUAN CENTER FOR DEMOCRATIC STUDIES

The situation of democratic institutions in Nicaragua is extremely difficult, but a hard-pressed democratic sector does exist which provides a nucleus for a potentially powerful popular democratic movement. At the moment the Nicaraguan people are not free to exercise their democratic freedoms. But the experience of the revolution against the Somoza tyranny instilled in them a democratic spirit which remains undiminished. There is no cynicism in Nicaragua -- merely a frustrated hope. But such spirit is difficult to maintain when the institutions of democracy are weakened and when there is little opportunity to study and discuss democratic ideas and their potential application in Nicaragua.

The Democratic Coordinadora, a broadly based alliance of Nicaraguan political, civic and economic groups, is creating a Nicaraguan Center for Democratic Studies as a means to sustain and strengthen the democratic idea in Nicaragua. The purposes of this center will be strictly educational -- special care will be taken to shield it from any charge that it is engaging in partisan political activity. But the center will take accurate objective measurements of the condition of democracy in Nicaragua, and carefully compare our country's circumstances to those of our neighbors -- and others. The Center will also develop specific proposals or steps our government and society should take to further implement the democratic promises of the anti-Somoza revolution to our own people, and the pledges of respect for democratic rights that were made both to the Organization of American States and the governments involved in the Contadora process.

GOALS

The Center will conduct research and disseminate information about the prospects for pluralism and democratic rights in all areas of Nicaraguan society. Subject areas will include:

1. The media -- freedom of press, access to media, censorship.

2. Trade union organization and rights of association.

3. The right to property, to private enterprise, and to independent business organizations.

4. Religious freedom and autonomy of the churches.

5. The need for an open agricultural sector, and independent peasant organizations.

6. The importance of education and literacy programs that are objective, non-propagandistic, and respectful of the rights of religious schools.

7. Cultural activities, the arts, leisure, women's groups, youth groups, etc.

8. Political and civil rights, and the role of independent political parties.

9. The rights of the indigenous population and of Indian community autonomy.

10. Human rights and the law -- the police, the secret police, the courts, the prison system. Also, Nicaragua's obligations in the system of international law and treaty obligations.

11. Individual rights and social control -- the Sandinista defense committees, food ration cards, internal passports, restrictions on travel, surveillance, work permits, family life, etc.

12. The military, the draft, conscientious objection, civil defense, the militia.

ACTIVITIES

To further these purposes, the Center will undertake the following activities:

1. Establish task forces (discussion and study groups) for the topics listed in the previous section. Each task force would consist of a group of Nicaraguans and non-Nicaraguans who are participants in or students of the study area. The goal would be to produce well-documented studies and other materials for each topic.

2. Establish a library and documentation center on the problems of democracy in Nicaragua, including the 12 topics listed above, for use by researchers and journalists. Important sources of data and documents will be the various groups that make up the Coordinadora Democratica Nicaraguense, the Catholic Church, the Permanent Commission on Human Rights, the newspaper La Prensa, etc.

3. Produce and distribute publications of original research and other important documents, and translate them into various languages, especially English, German and French, to be published and distributed abroad.

4. Recruit and host visiting scholars and foreign counterparts interested in particular issue areas, and assist them in obtaining information and documentation in their areas of interest. Contact will be maintained with such visitors, as well as with other interested persons abroad, so as to send them important new information and documentation as it becomes available.

5. Sponsor conferences for Nicaraguan and non-Nicaraguan participants to discuss and analyze the problems of democratic pluralism in Nicaragua, using the concrete experiences of Nicaraguan organizations and individuals in relating to the laws and decrees and actions of the Nicaraguan government and related agencies.

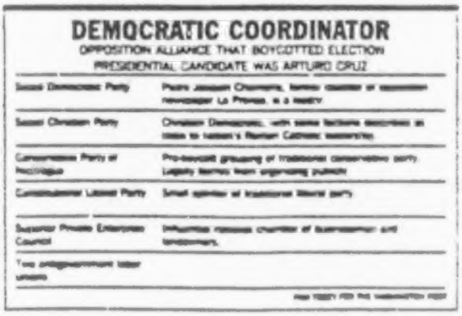
6. Organize exchange visits to enable Nicaraguan democratic leaders to meet and exchange views with their counterparts in other parts of the world and to study how democratic systems function in other countries. In like manner, democratic leaders from the Americas will be brought to Nicaragua to study the situation regarding human rights, freedom of the press, the status of the economy, political pluralism, freedom of religion, and other such matters.

7. Set up training institutes to provide leaders and potential leaders in each sector of Nicaraguan life with the knowledge and skills to sustain an independent and growing presence in Nicaraguan life.

Note: None of the funds provided in this grant will be used for electoral activities or for partisan political communications.

ORGANIZATION

The Board of Directors of the Center will be made up of representatives of the organizations that currently constitute the Democratic Coordinadora plus individuals from other democratic sectors. A table from the Washington Post which describes the broad composition of the Coordinadora appears below. It should be noted that although the Coordinadora includes representatives from the full range of Nicaragua's democratic political parties -- conservative to social democratic -- it is not itself a political party. It also includes representatives from the 6 groups that make up the Supreme Council of Private Enterprise, Nicaragua's independent business organization, and from both independent trade union organizations.



DEMOCRATIC COORDINATOR

OPPOSITION ALLIANCE THAT BOYCOTTED ELECTION

PRESIDENTIAL CANDIDATE WAS ARTURO CRUZ

The staff of the Center will consist of a Director, a research director, and a program director, who will have responsibility for organizing conferences and exchange visits.

Task force members, as well as Board members, will normally serve without pay, except in cases where individuals may be called upon to undertake specific projects for the Center.

The sponsor of the Center in the United States will be the Friends of the Democratic Center in Central America (PRODEMCA) a non-partisan, tax-exempt organization. A list of its Board of Directors and a description of its purposes and activities are attached.

FINANCES

The Center will seek funds from a wide range of sources, in Latin America, Western Europe and in the United States. It is currently seeking a one-year start-up grant from the National Endowment for Democracy. It can accept such funds because the Board of Endowment is by law an independent grant-making agency which is not obliged to pursue the immediate goals of U.S. foreign policy.

A sizeable portion of the funds in this grant will be spent outside Nicaragua, and will be accounted for directly by PRODEMCA on behalf of the Nicaraguan Center for Democratic Studies (NCDS).

For expenditures inside Nicaragua, a bank account will be established by NCDS. Income and expenditures from this account will be reported to PRODEMCA and submitted quarterly with appropriate bank statements. An annual audit will also be submitted.

BUDGET
APRIL 1985 - APRIL 1986

PROGRAM COSTS	Total Cost $
1. Study Area Task Forces	
meetings (24 @ $100)	2,400
study grants (12 @ $1000)	12,000
	14,400
2. Library and Documentation Center	
card file system	2,000
purchase of documents	10,000
	12,000
3. Publications	
printing, studies and documentation	10,000
distribution	6,000
monthly newsletter, 4,000 copies, printing & postage	15,000
	31,000
4. Visitors' Program meetings	2,000
5. Conferences	
honoraria	2,500
travel (foreign & domestic)	10,000
facilities	2,000
publications & materials	2,000
supplies	1,000
translation services	1,000
	18,500
6. Exchange Trips	
travel (35 @ $750)	26,500
hotel and meals	17,500
materials	2,000
	46,000
7. Training Institutes	
speakers (15 @ $300)	4,500
participants travel (200 @ $50)	10,000
participants meals & lodging ($12.50/day x 200 x 5 days)	12,500
materials	3,000
	30,000

RECEIVED
FEB 20 1985

PROGRAM COSTS	Total Cost $
8. Salaries and Benefits	
director	14,000
program director	8,000
research director	8,000
two secretaries	10,000
social security	4,500
	44,500
9. Equipment, services & Supplies	24,000
SUBTOTAL	222,400

ADMINISTRATIVE COSTS (PRODEMCA)	Total Costs $
1. Site visits (4 @ $1,000)	4,000
2. Telephone	1,000
3. Administration (1/2 staff time)	18,000
4. Audit	2,000
SUBTOTAL	25,000
GRAND TOTAL	247,400

PRODEMCA

Citizens' Committee for the Pro-Democratic
Forces in Central America

National Council (in formation)

Morris Abram, Attorney, New York
Philip Baum, Assoc. Exec. Director, American Jewish Congress
* John M. Bennett, San Antonio, Texas
Nicholas D. Biddle, Madrid and San Jose, Costa Rica
Linden Blue, Chairman, Cordillera Corporation, Denver, Colorado
Vladimir Bukovsky, Hoover Institution, Stanford, California
* Francis R. Carroll, President, Small Business Service Bureau
S. Harrison Dogole, Businessman, Philadelphia, Pennsylvania
* William C. Doherty, Jr., Executive Director, American Institute for Free Labor Development
* Angier Biddle Duke, Chairman, Appeal of Conscience Foundation, former Ambassador to El Salvador
Orville Freeman, Chairman, Business International, former Secretary of Agriculture, former Governor of Minnesota
J. Peter Grace, Chairman, W. R. Grace & Company
Judith Hernstadt, Las Vegas, Nevada
Theodore M. Hesburgh, President, University of Notre Dame
Sidney Hook, Hoover Institution, Stanford, California
Samuel P. Huntington, Director, The Center for International Affairs, Harvard University
John T. Joyce, President, International Union of Bricklayers and Allied Craftsmen
* Penn Kemble, President, Foundation for Democratic Education
Clark Kerr, President Emeritus, University of California
Jorge Mas Canosa, Chairman, Cuban-American National Foundation
Huber Matos, Jr., Cuba, Independiente y Democratica
Michael Novak, American Enterprise Institute
* Richard Ravitch, Chairman, City Development Corporation, Inc.
Daniel Rose, President, Rose Associates, New York
* Bayard Rustin, President, A. Philip Randolph Institute
Albert Shanker, President, American Federation of Teachers
* John R. Silber, President, Boston University; member National Bipartisan Commission on Central America
William E. Simon, President, Olin Foundation, former Secretary of the Treasury
* Max Singer, President, The Potomac Organization
* Kenneth B. Smilen, Chairman, Smilen & Safian
Maurice Sonnenberg, Investment Consultant, New York
Ben J. Wattenberg, Chairman, Coalition for Democratic Majority
Elie Wiesel, Author, Professor in Humanities, Boston University
* Mary N. Temple, Executive Director, PRODEMCA

* Member of the Executive Committee

(All affiliations are for identification purposes only.)

A nonprofit, nonpartisan educational organization formed in 1984 by private citizens who care about democracy, human rights and social justice in Central America.

(In Formation) Morris R. Abram, John M Bennett*, Nicholas D. Biddle, Linden Blue, Francis R. Carroll*, William C. Doherty, Jr.*, Angier Biddle Duke*, J. Peter Grace, Judith Hernstadt, Sidney Hook, John T. Joyce, R. Penn Kemble*, Clark Kerr, Jorge Mas Canosa, Huber Matos, Jr., Michael Novak, Richard Ravitch*, Bayard Rustin*, Albert Shanker, John R. Silber*, Max Singer*, Kenneth B. Smilen*, Ben J. Wattenberg, Mary N. Temple, *Executive Director*

**Executive Committee Member*

RECEIVED

C Items of Expenditure. All items of expenditure shall be in accordance with the following amounts

1. Nicaraguan Center for Democratic Studies

PROGRAM COSTS:		
1. Study Area Task Forces and Conferences includes honoraria, facilities, publications and material, supplies, translation services, etc:		$ 15,000
2. Publications and documentation, printing, studies & documentation	14,500	
distribution	6,700	21,200
3. Exchange trips and Visitors' Program meetings:		29,900
4. Training Institutes:		22,500
5. Salaries and Benefits:		
Executive Assistant	8,000	
Executive Secretary	6,000	
Office Assistant	4,500	
Social Security	3,000	21,500
6. Equipment, services & supplies		14,900
ADMINISTRATIVE COSTS (PRODEMCA)		
a. Site visits (4 at $1,000)	4,000	
b. Telephone	1,000	
c. Administratioin (1/2 staff time)	18,000	
d. Audit	2,000	
TOTAL ADMINISTRATIVE COSTS:		$ 25,000
SUBTOTAL NICARAGUAN CENTER FOR DEMOCRATIC STUDIES:		150,000

2. Permanent Commission on Human Rights:

PROGRAM COSTS		
1.Personnel at $500/month	6,500	
2. Translations at $819.25/month	9,831	
3.Publishing at $848.25/monthhvisits	10,179	
4.Postage and Distribution,	16,890	
5.Other $50/month	600	
ADMINISTRATIVE COSTS. (PRODEMCA)-Travel and Staff	6,000	
SUBTOTAL PERMANENT COMMISSION ON HUMAN RIGHTS		50.000
GRAND TOTAL		$200,000

****

CASH FLOW PROJECTION

Twelve equal payments, beginning July 1985, of $16,666 per month.

July 31, 1985
0052J

EQUIUPMENT LIST

		Preferred Make and Mode
35 mm Camera	200	Kodak
Projector and screen (slide)	400	"
Betamax	600	Sony
TV	500	"
Video Camara	900	"
3 Typewriters (mechanical)	2500	IBM
2 Desks (sec.)	1000	
3 or 4 drawer file cabinets	600	Standard Steel
Safe	500	
Conference table	800	
8 Chairs,	800	
2 Chairs, secretearies	400	
1 Copy machine, cartridge, with ink	1000	Xerox
1 Mimeograph	1500	Gestener
3 Air conditioners 25,000-30,000 BTU	1500	General Electric
Central telephonica - 6 lines	1000	Seimens-German
Overhead projector	200	
3 Tape recorders, 3 radios, shortwave	500	Sony
Total	14,900	

July 31, 1985
0052J

FRIENDS OF THE DEMOCRATIC CENTER IN CENTRAL AMERICA
(PRODEMCA)
2000 L STREET, N.W., SUITE 200, WASHINGTON, D.C. 20036 202/466-8264

ATIONAL COUNCIL

IGIER BIDDLE DUKE
CHAIRMAN
ORRIS ABRAM
ATTORNEY, NEW YORK
ILIP BAUM
AMERICAN JEWISH CONGRESS
HN M. BENNETT*
SAN ANTONIO, TEXAS
CHOLAS D. BIDDLE
SAN JOSE, COSTA RICA
NDEN BLUE
DENVER, COLORADO
ADIMIR BUKOVSKY
HOOVER INSTITUTION
STANFORD, CALIFORNIA
ANCIS R. CARROLL
SMALL BUSINESS SERVICE BUREAU
VIN CORRIGAN*
CORPORATE EXECUTIVE, NEW YORK
HARRISON DOGOLE
BUSINESSMAN, PHILADELPHIA, PA
LLIAM C. DOHERTY, JR.*
AMERICAN INSTITUTE FOR FREE
ABOR DEVELOPMENT
HN C. DUNCAN
CONSULTANT, ST. JOE
MINERALS CORPORATION
URICE A. FERRE
MAYOR OF MIAMI
VILLE FREEMAN
FORMER SECRETARY OF AGRICULTURE
PETER GRACE
HAIRMAN, W.R. GRACE & CO
DITH HERNSTADT
AS VEGAS, NEVADA
EODORE M. HESBURGH
PRESIDENT, UNIVERSITY OF
NOTRE DAME
DNEY HOOK
HOOVER INSTITUTION
STANFORD, CALIFORNIA
MUEL P. HUNTINGTON
HARVARD UNIVERSITY
HN T. JOYCE
PRESIDENT, BRICKLAYERS AND
LLIED CRAFTSMEN UNION
NN KEMBLE*
OUNDATION FOR
EMOCRATIC EDUCATION
ARK KERR
PRESIDENT EMERITUS
NIVERSITY OF CALIFORNIA
ANE J. KIRKPATRICK
ORMER U.S. AMBASSADOR
O THE UNITED NATIONS
RGE MAS CANOSA
UBAN-AMERICAN
ATIONAL FOUNDATION
HAEL NOVAK
MERICAN ENTERPRISE INSTITUTE
HARD RAVITCH*
HAIRMAN, CITY DEVELOPMENT
ORPORATION, INC
NIEL ROSE
RESIDENT, ROSE ASSOCIATES,
EW YORK
ER R. ROSENBLATT
TTORNEY, WASHINGTON, D.C.
ARD RUSTIN*
PHILIP RANDOLPH INSTITUTE
HN R. SILBER*
RESIDENT, BOSTON UNIVERSITY
LIAM E. SIMON
ORMER SECRETARY OF THE TREASURY
K SINGER*
HE POTOMAC ORGANIZATION
NETH B. SMILEN*
HAIRMAN, SMILEN & SAFIAN
URICE SONNENBERG*
VESTMENT CONSULTANT, NEW YORK
ULLMAN
TRESS
J. WATTENBERG
OALITION FOR DEMOCRATIC MAJORITY
E WIESEL
THOR
RY N. TEMPLE*
ECUTIVE DIRECTOR

mber of the Executive Committee
affiliations are for identification

August 21, 1985
Hand-delivered

TO: Marc Plattner

FROM: Denise O'Leary DOL

RE: Grant Agreement

Enclosed you will find the original grant agreement between The National Endowment for Democracy, Inc. and the Friends of the Democratic Center in Central America. This document has been signed by our Chairman, Ambassador Angier Biddle Duke.

Thank you for all of your assistance, I look forward to working with you.

RECEIVED
AUG 26 1985

A nonprofit, nonpartisan educational organization formed by private citizens who support democracy, human rights and social justice in Central America.

Washington, DC
July 23, 1985

PROPOSAL OF THE NICARAGUAN DEMOCRATIC COORDINATING BOARD

1. The Nicaraguan Democratic Coordinating Board (CND) is a grouping of the national coalition formed of the following:

a) Political Parties

Social Christian Party (PSC)
Social Democratic Party (PSD)
Liberal Constitutionalist Party (PLC)
Conservative Party of Nicaragua (PDN)

b) Independent TradeUnion Central Bodies

Central Labor Body of Nicaragua (CTN)
Confederation of Trade Union Unification (CUS)

c) Supreme Council of Private Enterprise

Nicaraguan Chamber of Construction (CNC)
Confederation of Chambers of Commerce of Nicaragua (CCCN)
Union of Agricultural Producers of Nicaragua (UPANIC)
Chamber of Industries of Nicaragua (CADIN)
Confederation of Professional Associations of Nicaragua (CONAPRO)
Nicaraguan Institute of Development (INDE)

Objectives of the Nicaraguan Democratic Coordinating Board

The Nicaraguan Democratic Coordinating Board was formed in the year 1982, as a response to the toatlitarian attack of the Marxist-Leninist regime of the Saninista Front (FSLN). The CDN is completely and absolutely aware that, without a true national unity of all civic forces, trade union and management, it will end up difficult to oppose the state machinery designed by the native Marxists and by International Communism.

2. As a consequence of the aims of the CDN, the Nicaraguan Center for Democratic Studies is created, under the following rules:

a) The Board of Directors will be composed of nine (9) members who will be representatives of the organizations which form the CDN, thusly: One from each political party, Social Christian, Social Democratic, Liberal Constitutionalist, and Conservative Pary of Nicaragua. One from each trade union central body, The Central Labor Body of Nicarauga, and the Confederation of Trade Union Unification, CUS and CTN. And the remaining three from the organizations which make up the management and professional organizations (COSEP).

b) A member of the Board of Director will be named Presiding Director, who will coordinate the activities of the Center.

c) The resources which the Center may obtain for the civic and democratic development of its organizations will be invested in projects as approved by the Board of Directors. These projects may be proposed by the CDN itself or by any of the organizations of which it is composed.

d) Resolutions emmanating from the Centeral will be by absolute majority vote of the Board of Director. Any resolution thus made will be valid, and binding upon the remaining Directors.

ATTACHMENT A2

PROJECT PROPOSAL

NICARAGUAN PERMANENT COMMISSION ON HUMAN RIGHTS (CPDH)

This well established organization was active in documenting human rights abuses under Somoza. It continues, under difficult circumstances, to document such abuses under the Sandinista regime.

The activities of the Commission are summarized on the attached sheet. A sample of the kinds of materials that would be produced is attached, along with a budget.

PRODEMCA will assist in receiving, translating, publishing and distributing documents of the Human Rights Commission and maintaining international correspondence, through persons working in San Jose, Costa Rica.

(A sample of the kinds of materials that would be published is attached, as is a budget.)

June 1985
0043J

DE NICARAGUA

Sept. 24

PROJECT PRESENTED BY THE PERMANENT COMMISSION ON HUMAN RIGHTS OF NICARAGUA, "CPDH".

The "CPDH" works in a very limited budget and at present has almost spend its resources for the 1984 year. The need to receive a donation is basic for the "CPDH" working ability. The following are the basic programs that it develops:

1. Legal Asistance
   A 5 lawyers team in charge of the overall project. Nationwide.

2. Department of Publications
   It publishes: .A monthly magazine - report
   .A magazine every 5 or 6 weeks
   .One case-study every 3 months

3. Department of Complaints/Denounces
   A team of 3 officers performs the following:
   .Record the denonces on special forms
   .Classifies it
   .Assign it to the appropriate issue/lawyer

4. International Communication/Documentation
   There is no personnel for this task, although an offer to give some assistance has been received.

PROJECTS NEEDED TO BE IMPLEMENTED ARE AS FOLLOWS:

1. A regional Center in the Atlantic Coast

2. A regional Center in the Northern area

3. A regional Center in the Center

   Citizens urge the "CPDH" to open regional centers so they would be able to present their cases-instead of having to pay their transportation fees to Managua which is very expensive for the ordinary Nicaraguan- nearest:their own town. The "CPDH" has not the budget to do it.

4. A Training Center In Managua
   There is not enough prepared people to attend the volume of work.

The "CPDH" has no paper for the publications, copies, press release, correspondence. It also need ink for reproduction. Very often the reports can not circulate because of the lack of these resources. This is an urgent necessity.

Paper: Bond 40' and Bond 36' / Ink for copying

PRESUPUESTO

COMISION PERMANENTE DE DERECHOS HUMANOS

	Mensual	Anual
Encargado	500.00	6.500
Traducciones	819.25	9.831
Impresión	848.25	10.179
Distribución	1,907.50	22.890
Varios	50.00	600
		50.000

CPDH
DE NICARAGUA

COMISION PERMANENTE DE DERECHOS HUMANOS DE NICARAGUA

INFORME

DE

AGOSTO

1984

DE MONTOYA 2 C. AL LAGO — APARTADO 563 — TEL. 62226

CPDH
DE NICARAGUA
COMISION PERMANENTE DE DERECHOS HUMANOS DE NICARAGUA

PRINCIPALES DENUNCIAS DEL MES DE AGOSTO DE 1984

MUERTOS

1.- #84-07-050. ANDRES MEJIA JIRON.- 30 años, soltero, agricultor del domicilio de Jinotega. El día diez de marzo de 1983, fue detenido y conducido a las cárceles de Jinotega, siendo trasladado al Comando Central de Matagalpa y posteriormente a la construcción del Sistema Penitenciario conocido como Waswalí en Matagalpa; se encontraba acusado de robo y obtendría su libertad el día 15 de junio de este año. Pero el día 10 de junio de este año en que su hermana FLORA MEJIA llegó a visitarlo fue informada que había muerto en un "intento de fuga", sin darle mayores datos.

Ella ha solicitado a las autoridades del centro penal, que al menos le digan donde fue enterrado el cadáver y que le regresen las pocas pertenencias del prisionero, pero hasta el momento no ha obtenido ninguna respuesta.

La CPDH planteó el caso ante el Departamento Legal del Ministerio del Interior de Matagalpa, a fin de que se inicie una investigación que determine las circunstancias de su muerte y que se le informe a sus familiares el lugar donde fue enterrado el cadáver.

2.- #84-08-065. DEMETRIO BENEDICTO ARTOLA SANCHEZ, de 40 años de edad, soltero, agricultor, del domicilio de la Comarca La Ceiba, jurisdicción de Villa El Carmen, en este departamento de Managua.

El día 18 de agosto del corriente año, a eso de las nueve de la mañana se presentaron a buscarlo, a la casa de su hermano JOSE ANGEL ARTOLA SANCHEZ en el mismo domicilio, tres miembros de la Policía Voluntaria de Villa El Carmen, identificados como RAFAEL FONSECA, DOMINGO CHAVARRIA y DOMINGO PEREZ, y un civil, quien lo acusó de haber participado de un robo y lo conminaron a que los acompañara, también lo acusaron de ser miembro del Partido Conservador; el argumentó que tenía que trabajar y que no tenía nada que ver con ningún robo, dando la vuelta para dirigirse a trabajar y que cuando se había alejado como 8 metros los militares dispararon varias ráfagas en su contra, logrando acertarle varios balazos, que le causaron la muerte tres horas después.

..2

La CPDH se ha dirigido al Ministerio del Interior solicitando una investigación exhaustiva de ese caso.

DESAPARECIDOS

1.- #84-8-056. ALEJANDRO SOTELO MORA. 32 años, agricultor, del domicilio de Boaco. Fue capturado por miembros de la Seguridad del Estado el día 21 de agosto del año en curso, mientras se encontraba trabajando en una finca, cerca de Río Blanco. Fue conducido supuestamente hacia el Comando de Río Blanco, departamento de Matagalpa, desde esa fecha se desconoce el lugar donde se encuentra.

Su familia ha tenido informes de que se encuentra en las cárceles de la Seguridad del Estado de Matagalpa, pero tanto en esta como en otras cárceles de la Región VI les ha sido negado.

La CPDH interpuso ante el Tribunal de Apelaciones de Matagalpa formal Recurso de Exhibición Personal, en favor de éste y otros reos que se encuentran desaparecidos.

VIOLACION A LOS DERECHOS RELIGIOSOS

1.- #84-8-002. ALLAN DELGADO USEDA, mayor de edad, sacerdote católico, Párroco de la Iglesia Santa Ana en esta ciudad capital. El día domingo 17 de junio del año en curso, mientras celebraba la Santa Misa, fue interrumpido por sujetos que se mofaban de sus oraciones y que introduciéndose hasta el centro del templo gritaban consignas sandinistas, por lo que los feligreses procedieron a expulsarlos. Posteriormente un joven que participó en la expulsión de los mencionados individuos, fue capturado por una patrulla de la Policía Sandinista, que se encontraba en los alrededores de la iglesia.

El Padre Allan Delgado desde el día 9 de julio de 1984 está siendo objeto de llamadas anónimas en las que se le amenaza con la publicación de un video cassette prefabricado en el que se le involucra en supuestos actos que atentan contra la moral. Actualmente la casa de su madre, donde se realizan grupos de oración está siendo vigilada por -- miembros del Comité de Defensa Sandinista, quienes catalogan a los participantes como contrarrevolucionarios.

...3

AMENAZAS DE CAPTURA

1.- #84-08-016. PEDRO MARTINEZ LOAISIGA, de 50 años de edad, vigilante del Consejo Superior de la Empresa Privada (COSEP) con domicilio en el Barrio Acahualinca de esta capital. A principios del mes de julio de este año, fue citado a la sección de Policía ubicada en la Quinta Isabel en el Barrio Acahualinca donde fue interrogado acerca del Servicio Militar Patriótico que realizan sus hijos, proponiéndole que colaborara con la Seguridad del Estado entregando las llaves de la oficina del COSEP. Después de este incidente fue nuevamente citado, sin embargo no se presentó al citatorio .

El día martes 26 de julio cuando regresaba de su trabajo fue capturado por dos agentes que lo condujeron a la Sub-Estación de Policía #2 donde unos militares de apellidos Benavides y Núñez identificados como miembros de la Seguridad del Estado, lo amenazaron con 15 años de cárcel si no colaboraba con ellos entregando las llaves de las oficinas. Los militares antes referidos en reiteradas ocasiones lo han citado a diversos lugares de la capital, siendo concertada la última cita para realizarse en la Casa #50 de la Seguridad del Estado el día 2 de agosto del año en curso.

La CPDH ha expuesto el caso ante el Departamento de Quejas del Ministerio del Interior a fin de que se respeten los derechos de este ciudadano.

2.- #84-08-032. JOSE MANUEL URBINA LARA, de 23 años de edad, estudiante de la carrera de Derecho en la Universidad Centroamericana y de este domicilio. Junto con seis compañeros de clase fue capturado por --- miembros de la Seguridad del Estado, el día 12 de noviembre de 1983, siendo retenido en las cárceles del Chipote donde se le investigó por supuestas actividades contrarrevolucionarias, posteriormente fue trasladado hacia Zona Franca, obteniendo su libertad el 12 de diciembre del mismo año.

El joven URBINA LARA se reintegró a sus estudios, manifestando a sus familiares que estaba siendo hostigado por los miembros de la Juventud Sandinista 19 de julio de la Universidad. El día 23 de junio de 1984 dos sujetos de la Seguridad del Estado se presentaron a su casa de habitación realizando un cateo y preguntando por él, desde esa fecha se fue a huír por temor a ser recapturado.

....4

2.- Su padre Luis Urbina Chávez y sus hermanos Luis Coronado y María Elena fueron interceptados por efectivos de la Seguridad del Estado el día 27 de julio mientras conducían su vehículo en las inmediaciones de la Colonia Centro América, siendo conducidos al Chipote donde fueron investigados por separado durante cuatro horas consecutivas. Su hermano el Dr. Luis Coronado Urbina fue sometido a tratos humillantes obligandosele a realizar ejercicios completamente desnudo mientras era interrogado.

VIOLACION A LOS DERECHOS SINDICALES

1.- #84-08-037. JUAN MERCADO SAMURIA, mayor de edad, Asesor Sindical de la Central de Trabajadores de Nicaragua, del domicilio de Granada, está siendo hostigado por miembros de los organismos de masas del Frente Sandinista, quienes encabezados por Justino Díaz, Responsable Zonal y dos dirigentes de la Asociación de Trabajadores del Campo de la Región del Mombacho en el departamento de Granada. Los días 25 de julio y 14 de agosto del año en curso, estos individuos llegaron a buscarlo a la Hacienda San Emilio, ubicada en las faldas del Volcán Mombacho, atemorizando a los trabajadores con disparos al aire y profiriendo insultos contra la CTN.

Efectivos militares de la Policía Sandinista se han dedicado a investigar sus actividades sindicales en la comunidad del Guanacaste, con una evidente intención de atemorizar a los trabajadores afiliados a la CTN.

La CPDH ha enviado comunicación al Delegado del Ministerio del Interior en la Región IV, solicitando garantías para el líder obrero y respeto a sus actividades sindicales.

MAL TRATO A PRISIONEROS

1.- #84-08-057. WILMER NAZARIO CASTRO MENDOZA, 27 años de edad, fue capturado el día 20 de septiembre de 1979, siendo condenado por los Tribunales Especiales de Justicia a la pena de 30 años. El Señor CASTRO MENDOZA padece trastornos cardiovasculares, habiendole prescrito tratamiento médico los miembros de la Cruz Roja, pero los militares se negaron a dárselo, lo cual motivó que realizara una huelga de hambre exigiendo dicho tratamiento.

.....5

1.- Las autoridades militares de la Cárcel Modelo donde actualmente cumple su condena lo tienen castigado en una celda especial para reos tuberculosos.

La CPDH el día 28 de agosto del presente año interpuso un Recurso de Amparo en su favor exigiendo el cese de las medidas represivas tomadas en su contra.

VIOLACION A LOS DERECHOS POLITICOS

1.- #84-08-018. MARLON MADRIZ MAYORGA, de 20 años de edad, obrero, del domicilio de Managua, desde octubre del año pasado labora como cortador de telas para la Empresa Nacional del Vestuario (ENAVES). Su militancia política en la Juventud Social Demócrata le ha valido la animadversión de los miembros del Batallón de Milicias # 50-19 de la Empresa para la cual trabaja, siendo constantemente acusado de contrarrevolocionario y diversionista ideológico. Los militares antes mencionados intentaron agredirlo físicamente el día 17 de julio del año en curso, razón por la cual denunció el hecho ante las autoridades del Partido Social Demócrata quienes le dieron difusión en el Diario La Prensa el 31 del mismo mes. Desde esa fecha se han incrementado los hostigamientos y amenazas en su contra. Recientemente ha sido llamado a prestar el Servicio Militar Patriótico.

NOTA: Las denuncias presentadas a esta oficina son veraces según nuestro leal saber y entender y se encuentran respaldadas por denuncias y testimonios debidamente firmados.

La CPDH no pretende justificar ni defender a las personas que han cometido delitos; sin embargo cree que todos los nicaragüenses tienen derecho a las garantías mínimas judiciales para que se haga verdadera justicia.

Managua, cinco de septiembre de mil novecientos ochenta y cuatro.

CPDH COMISION PERMANENTE DE DERECHOS HUMANOS DE NICARA

DE NICARAGUA

CONTINUA LA PERSECUCION A LA IGLESIA NICARAGUENSE

En la Pascua de Resurrección, todos los obispos católicos de Nicaragua publicaron una Carta Pastoral en la que exhortaban al pueblo a reconciliarse con Dios y con sus hermanos todos. Como formas concretas de hacerlo propusieron el Sacramento de la Confesión y un Diálogo honesto entre todos para encontrar la paz.

La Comisión Permanente de Derechos Humanos ha manifestado en diversas oportunidades que urge ese diálogo entre todos para resolver el problema de fondo entre los nicaragüenses -problema del que emanan las abundantes violaciones a los derechos del hombre- y ha visto con esperanza que los diversos sectores (opuestos al sistema político ideológico del FSLN) incluídos los levantados en armas, han manifestado su disposición a participar en ese diálogo. Con igual esperanza ha visto que ese diálogo de todos ha sido incluído entre los medios para la paz propuestos por el Grupo de Contadora.

Pero el llamado hecho por los obispos del país a la reconciliación y al diálogo ha provocado una reacción de extraordinaria virulencia en la dirección del Frente Sandinista de Liberación Nacional. Decimos extraordinaria porque sobresale del tono ya ordinario de constante amenaza e insulto a la Iglesia. Sobresale como sobresalió internacionalmente el recibimiento que el FSLN dió a su Santidad Juan Pablo II.

Mientras censuraban casi todos los pronunciamientos de respaldo y lealtad a los obispos, los medios de comunicación (prensa, radio y televisión) al servicio del Frente Sandinista de Liberación Nacional explotaron como volcanes de odio contra los obispos: discursos, pronunciamientos, análisis, fotografías, dibujos, caricaturas... por días y días. El denominador común de todos los ataques, es decir, la consigna bajada y expresada de diversas formas por los diversos instrumentos, era restar autoridad a los obispos diciendo que su carta no era pastoral sino política, y que había sido diseñada por la CIA, añadiendo que el único diálogo posible con los "enemigos" era "por la boca de las ametralladoras".

Para esta reacción de extraordinaria virulencia se valieron [illegible] de todos sus recursos, incluyendo los que tienen dentro de la organización humana de la Iglesia. Para atacar a la Iglesia esos recursos [illegible]ticularmente valiosos. Jesuitas, en carta pública difundida [illegible] diarios al servicio del Frente Sandinista y firmada por "el Delegado del Provincial y su Consulta", sumaron su voz al prolongado coro de ataques a la Carta Pastoral. Tras el documento de los Jesuitas vino el de los Dominicos. Ambas publicaciones fueron hechas de forma que pareciera, sin decirlo, que los documentos representaban a las instituciones mismas de los Padres Jesuitas y de los Padres Dominicos. La Comisión Permanente de Derechos Humanos sabe, sin embargo, que esa actitud y actuación no es común a todos los Jesuitas y Dominicos. Sabe, por ejemplo, del dolor y la indignación que produjo entre muchos sacerdotes y hermanos de la Compañía de Jesús. Pero esos son los que están sin voz como la mayoría de los nicaraguenses, los que no tienen oficinas subsidiarias de propaganda como la que tiene el Instituto Histórico Centroamericano*, en la Universidad de Georgetown en Washington, los que no tienen acceso a los medios de comunicación, los que pueden ser expulsados del país si dicen lo que piensan, como ha pasado con otros miembros de otras congregaciones, los que pueden ser objeto de una calumnia lentamente preparada con montajes fotográficos y de sonido, como la que está padeciendo estos días el sacerdote Amado Peña, nicaraguense, párroco de la Parroquia Pío X de Managua y persona leal a sus obispos.

El día lunes 18 de Junio, el Ministerio del Interior anunció una conferencia de prensa para las nueve de la mañana del día siguiente, en la que darían a conocer cómo, las fuerzas de la Seguridad del Estado habían desarticulado un frente interno contrarrevolucionario. El Martes 19, sin explicación alguna, se pospone para el día siguiente la anunciada conferencia de prensa. Ya en la conferencia, el día miércoles 20, el Comandante Lenín Cerna, Jefe de la Seguridad del Estado, presenta a una persona que supuestamente fue hecha prisionera dos o tres días antes (estaba libre el Domingo 17, según informó el Ministerio del Interior) y este prisionero confiesa públicamente ser jefe del frente interno contrarrevolucionario, e involucra a varias personas de los sectores democráticos del país, de la Central de Trabajadores de Nicaragua (CTN), de la organización de profesionales (CONAPRO), de la Radio Corporación y del Partido Conservador Demócrata. Sin embargo, entre los sectores involucrados sobresale claramente la Iglesia Católica por supuestas actividades de los Consejos Parroquiales y principalmente del Sacerdote Luis Amado Peña.

Sigue la conferencia de prensa con la presentación en televisión de una película en blanco y negro en la que el reo que acaba de declarar en público aparece, junto con otras personas, conversando con el sacerdote Peña. Primero aparece en lo que luce como la sala de una casa, y se logran captar palabras y frases indicadoras de que conversan sobre actividades conspirativas. Después aparece el prisionero con el sacerdote (de espaldas) y otras personas, en otro cuarto, y la escena y las palabras del prisionero (que siempre se oyen mucho más claras que las del sacerdote) indican que le están presentando armas y explicando el manejo de ellas.

---

*El Instituto Histórico Centroamericano es de los Padres Jesuitas y funciona dentro de la Universidad Centroamericana. Bajo su presente administración, se ha convertido en uno de los más importantes focos de elaboración y difusión de las ideas de la Iglesia Popular.

Termina la conferencia de prensa haciendo ver que el sacerdote Peña no está detenido por la buena disposición que tiene el Gobierno Sandinista para con la Iglesia. Sin embargo, se añade, se insiste y se torna en meta de toda la conferencia de prensa y de sus subsiguientes repeticiones en la televisión, el siguiente mensaje: tanto las declaraciones del prisionero como la "prueba" gráfica presentada, demuestran que los miembros de la Iglesia hablan de reconciliación en la Carta Pastoral pero preparan la guerra y la matanza en su vida práctica.

El Comandante Tomás Borge pretendió convencer a los Obispos y a la Nunciatura Apostólica de que ellos decidieran retener al sacerdote Peña - en la Nunciatura. Las autoridades eclesiásticas rechazaron la sugerencia y, creyendo en la inocencia del acusado, le permitieron volver a su parroquia si él así lo decidía. Efectivamente, regresó a su parroquia y sus fieles le recibieron con alegría. Pero cuando se preparaba a celebrar la Santa Misa de la festividad del Corpus Christi, Jueves 21, las turbas del Frente Sandinista de Liberación Nacional (FSLN) rodearon la iglesia, sofocaron a los feligreses con el humo de llantas quemadas en la calle y el techo de la iglesia de forma que el humo penetrara en el recinto y terminaron impidiendo la celebración de la Eucaristía. Al salir, los feligreses fueron golpeados. El Arzobispo de Managua, Monseñor Miguel Obando Bravo, preocupado por la seguridad de su sacerdote, le pidió que fuera a dormir esa noche al Seminario. El Comandante Tomás Borge decidió entonces dar al sacerdote el Seminario por cárcel porque, "aunque la Revolución lo perdona", será declarado culpable o inocente por los Tribunales Populares. El Padre Peña sigue preso en el Seminario y hay una patrulla de la policía a la entrada del mismo que interroga a todos los que entran y revisa los vehículos que salen.

La Comisión Permanente de Derechos Humanos de Nicaragua ha recibido testimonio firmado del propio sacerdote Luis Amado Peña en el que niega - haber participado en los hechos y planes que le imputan. El sacerdote cree recordar la sala de la primera escena de la película como la sala - de una casa a la que fue invitado para bendecirla y en la que hubo una pequeña fiesta después del acto; pero lo confunde el que en esa oportunidad habían otras y más personas de las que aparecen en la película. La CPDH conoce también el total apoyo que las autoridades eclesiásticas mantienen al sacerdote Peña, insistiendo en que siempre ha sido una persona dedicada a la actividad pastoral.

CPDH COMISION PERMANENTE DE DERECHOS HUMANOS DE NICARAG

DE NICARAGUA

La forma de este nuevo ataque a la Iglesia no es nueva. Por una parte, se ha vuelto normal -tal como lo expresó la Conferencia Episcopal en declaración publicada al conocer el nuevo ataque- que el gobierno lance informaciones y acusaciones sin fundamente, como fué el conocido caso del Padre Bismarck Carballo; el caso de Monseñor Salvador Shlaefer, de quién oficialmente se informó que había sido secuestrado y asesinado; de Monseñor Pablo Antonio Vega, a quién se acusó de transportar armas, acusación que fué recogida y publicada por Pax Christi en Roma; de Monseñor Miguel Obando Bravo de quién recientemente se dijo que visitaba en Washington al Presidente Reagan cuando en realidad visitaba al Papa en Roma.

Por otra parte, se ha vuelto también normal, en Nicaragua, que los - prisioneros aparezcan en televisión auto-acusándose de actividades contrarrevolucionarias e involucrando a otras personas de los sectores - democráticos. Como ejemplo, recordamos el reciente caso del periodista Luis Mora quién involucró a su compañero de labores Jorge Ortega. Como consecuencia de esa declaración del prisionero, el reportero ORTEGA - fué también detenido y está siendo juzgado por los Tribunales Populares.

A todo esto hay que añadir que, en los archivos de la Comisión Permanente de Derechos Humanos (CPDH) se encuentra una denuncia (número 83-3-037) interpuesta por el Secretario General de la Central de Trabajadores de Nicaragua (CTN), Carlos Huembes, el día 17 de marzo de 1983, en la que señalaba que dos sujetos de aspecto campesino conocidos como - HERNAN ESPINOZA Y BENJAMIN CUADRA O BENJAMIN FLETES, habían llegado reiteradamente a las oficinas de la CTN a entregarle una "encomienda" que Mariano Mendoza le enviaba. El señor Mendoza había sido señalado repetidas veces por el gobierno como miembro de la contrarrevolución.
El señor Carlos Huembes no los quiso recibir por esta razón y en su denuncia hace responsable de esa maniobra al Ministerio del Interior. Resulta que uno de estos individuos, HERNAN ESPINOZA, es el que aparece - en la conferencia de prensa auto-acusándose como jefe de un frente interno y es el protagonista principal de la película presentada contra el Padre Peña.

Todo ésto hace pensar a las autoridades eclesiásticas del país y también a esta Comisión Permanente de Derechos Humanos, que las acusaciones hechas contra el sacerdote Luis Amado Peña y las otras personas mencionadas por el prisionero, carecen de fundamento y son parte de la - campaña de ataques que la dirección del Frente Sandinista de Liberación Nacional (FSLN) mantiene contra los sectores democráticos en general y contra la Iglesia Católica muy en particular.

La Comisión Permanente de Derechos Humanos de Nicaragua pide a todas las personas e instituciones interesadas en los Derechos Humanos que apoyen el llamado a la reconciliación de la familia nicaraguense a través de un diálogo honesto y sincero entre todos los sectores, pedido por todos los señores Obispos del país en su Carta Pastoral de Pascua de Resurrección, por ser un instrumento necesario para que el país se ponga en el camino del respeto a los Derechos del Hombre. Pide también que se apoye a la Iglesia Nicaraguense y soliciten que termine la persecución contra ella, en particular que se permita al Padre Luis Aamado Peña salir del Seminario y volver a sus actividades - pastorales en su parroquia.

Managua, 5 de Julio de 1984.

COMISION PERMANENTE DE DERECHOS HUMANOS DE NICARAGUA

CPDH COMISION PERMANENTE DE DERECHOS HUMANOS DE NICARAGUA

INFORME ANUAL

1983

CPDH COMI ON PERMANENTE DE DERE HOS HUMANOS DE NICARAGU
DE NICARAGUA

INFORME 1983

Durante el año 1983 la Comisión Permanente de Derechos Humanos de Nicaragua recibió un total de 1.127 denuncias, lo cual implicó un total de 1.744 casos atendidos por nuestros abogados. Fueron clasificados en 11 rubros, reflejados en el siguiente cuadro:

1.	Tortura	106	6% *
2.	Muertos	15	1%
3.	Desaparecidos	209	12%
4.	Sindicales	99	6%
5.	Libertad de Expresión	5	0.29%
6.	Amenaza de Captura	37	3%
7.	Políticos	81	5%
8.	Religiosos	23	2%
9.	Educativos	4	0.23%
10.	Liberados	180	11%
11.	Prisioneros	989	57%

El rubro más alto fue el de prisioneros que representa un total de 989 casos reportados por sus familiares, siendo éste equivalente al 57% del total de los casos manejados por CPDH. A su vez de todos los prisioneros reportados, 548 de estos fueron capturados por la Seguridad del Estado, siendo acusados de actividades contrarrevolucionarias.

Un total de 207 personas fueron reportadas como desaparecidas, si hiciéramos una consideración porcentual, de todas ellas el 99.9% fueron capturados por la Seguridad del Estado. Los desaparecidos implicaron un total del 12% sobre el total de los casos atendidos en CPDH. Podemos afirmar que los meses más álgidos de este rubro fueron: Marzo, Septiembre y Febrero. Es de mencionar que en su gran mayoría los casos reportados en los meses de Febrero y Marzo corresponden a denuncias y testimonios de ciudadanos Miskitos, quiénes fueron capturados por miembros de la Seguridad del Estado, siendo sometidos a múltiples vejaciones.

* En las páginas finales se encuentran las Gráficas que representan esos porcentajes.

.2

Hasta el mes de Agosto los desaparecidos equivalían a un total estimado de 29 a 30% sobre los casos reportados, nuestras gestiones en favor de estas personas, lograron esclarecer su paradero y determinar su situación legal del 50% de los casos reportados como desaparecidos, la otra mitad que corresponde a los casos de la Costa Atlántica en su gran mayoría, aún continúan como desparecidos.

El rubro de Torturas alcanzó el 6% de los casos reportados, que corresponden a 104 personas, quiénes en el momento de su captura o durante su permanencia en las cárceles fueron sometidos a golpizas y diversos tipos de tortura psicológica.

Sindicalistas reportaron ser perseguidos, amedrentados y hostigados por la Seguridad del Estado; el rubro de Violación a los Derechos Sindicales equivale a casi el 6% sobre el total de los casos reportados a la CPDH.

Durante todo el año se reportaron 81 casos de Violaciones a los Derechos Políticos, lo cual equivale a un 5% sobre los casos reportados a nuestra oficina.

Si bien es cierto que los rubros de Violación a los Derechos Religiosos (2%) y Violación a los Derechos Educativos (0.23%) son aparentemente bajos con respecto a los anteriores, debe de considerarse el temor que tienen muchas personas de denunciar hechos de esta índole.

MUERTES NO ESCLARECIDAS

De los diecisiete casos de muertes no esclarecidas reportadas en 1983, seis de ellos corresponden a campesinos capturados en las zonas de Quilalí, Nueva Segovia y posteriormente reportados como "muertos en combate". Dos de los casos se atribuyen a muertes por "intento de fuga" y siete de ellos corresponden a personas que fueron capturadas por autoridades perfectamente identificadas y que después fueron reportadas sus muertes y entregados sus cadáveres sin ninguna explicación: Una

.3

de las muertes es la de un miskito de 79 años que murió en la cárcel, por falta de atención médica y otra es la de un joven que fue muerto cuando la Policía lo trataba de capturar. Todos estos casos, han sido planteados por la CPDH a las autoridades respectivas y solamente uno de ellos está siendo investigados por las oficinas de Procesamiento Policial.

CASOS DE MUERTES NO ESCLARECIDAS REPORTADAS A LA CPDH EN 1983

1.- PEDRO PABLO HOLLES GONZALEZ, 20 años; ANTONIO HOLLES GONZALEZ, 16 años; ALFONSO CASTILLO RAMIREZ, 20 años; JONAS CASTILLO RAMIREZ, 19 años; JUAN BENITO HERRERA JARQUIN, 16 años; JUSTO PASTOR GONZALEZ QUINTERO, 20 años. Todos capturado en el Valle Las Delicias, Quilalí, Ocotal; posteriormente reportados como muertos en combate en un comunicado del MINT.

2.- JUAN PABLO JOYA PICHARDO y JORGE LEONIDAS CHAMORRO PEREZ, fueron reportados como muertos en un comunicado del MINT, días después de que ambos se habían fugado de la Cárcel Modelo. El MINT no dió mayores detalles de esas muertes.

3.- JOSE RAMON SILES PEREZ, de 25 años. Capturado en Kilambé, Jinotega. Días después fue encontrado su cadáver en estado de descomposición.

4.- ALFREDO Y FAUSTO TERCERO, capturados en Rancho Grande, Matagalpa; permanecieron detenidos algunos días, posteriormente le avisaron a su familia que durante un traslado de cárcel los habían ejecutado y le enseñaron el lugar donde estaban los cadáveres.

5.- DANIEL E. SIERRA OCON. Capturado en Juigalpa. Supuestamente se "suicidó" en la cárcel con una pistola con silenciador; el día en que le habían anunciado a él y su esposa que sería liberado.

6.- JOSE ESTEBAN LAZO MORALES. Capturado en San Pedro de Lóvago. Posteriormente fue entregado su cadáver a la familia sin mayores explicaciones.

7.- JUAN EUSEBIO LOPEZ BLANCO. Capturado cuando se bajaba de un bus, por sujetos vestidos de civil. Su cadáver fue encontrado posteriormente en estado de descomposición.

.4

8.- REYNALDO CANALES MOREIRA. Muerto en su casa de habitación cuando la Policía intentaba capturarlo, oponiendo éste resistencia.

9.- TEOFILO MAIK BENLES. 79 años de edad. Murió en la cárcel después de que permaneció en ella durante más de un año, sin pasar nunca a la orden del juez. La CPDH había solicitado un indulto a su favor debido a su mal estado de salud.

DESAPARECIDOS

Durante el recién finalizado año 1983, se observó un notable incremento en el número de personas reportadas como desaparecidas en relación a 1982.

En la gran mayoría de los casos presentados existen características comunes en cuanto a las circunstancias que rodean cada caso:

1.- Existen pruebas de que fueron capturados.

2.- La captura fue realizada por miembros de la Seguridad del Estado o del Ejército Popular Sandinista.

3.- Los motivos de las capturas eran acusaciones de supuestas actividades contrarrevolucionarias.

El mayor número de casos reportados como desaparecidos, proceden de la zona de Chinandega, Matagalpa, Jinotega, Nueva Segovia y el Departamento de Zelaya.

Una de las causas de estas desapariciones es el mecanismo utilizado por los organismos de Seguridad del Estado de trasladar a los prisioneros desde su lugar de origen (donde realizan las capturas), hasta la base de Operaciones donde funcionan las Cárceles de Seguridad del Estado a nivel regional en las cuales se mantiene a los prisioneros bajo incomunicación. Durante estos períodos que pueden ser de varios meses, no se permite a los prisioneros dar aviso a sus familiares sobre su detención, llegando incluso a negar la detención de estos reos bajo control de la Seguridad del Estado.

.5

Es evidente que la incidencia de este tipo de casos es mayor en los departamentos del país, debido a que no existen oficinas para brindar información al público sobre las personas detenidas, y los cargos por lo que está siendo investigado. Sucede todo lo contrario, se impide u obstaculiza el acceso a las personas que desean obtener información sobre los prisioneros detenidos en esos centros de interrogatorios.

Durante 1983 la CPDH hizo investigaciones sobre dos prisioneros que fueron detenidos por miembros de la Seguridad del Estado y permanecieron un año desaparecidos; todo esfuerzo por localizarlos fué imposible. Tiempo después esos reos llegaron a nuestras oficinas a informar que habían sido liberados y que todo el tiempo (1 año) habían estado incomunicados en El Chipote, donde se negó toda información acerca de ellos.

LISTA DE PERSONAS REPORTADAS A LA CPDH COMO NO LOCALIZADAS EN 1983

1) JOAQUIN IDANUEL VALLECILLO SANCHEZ. 16 años de edad, soltero, agricultor y del domicilio de Chinandega. Fue capturado en su casa de habitación el día 18 de Enero de 1983 a las 6:00 A.M., por seis individuos, tres de ellos vestidos de civil y los otros tres vestidos de militar, que llegaron en un Jeep color verde propiedad del Estado, quiénes realizaron además un cateo en su casa de habitación alegando que buscaban armas, se le ha buscado en las cárceles de Seguridad del Estado de la II Región y en Managua.

2) SANTOS MARCELO MARTINEZ GARCIA. 35 años de edad, casado, agricultor y del domicilio de Comarca Boca de Baná, jurisdicción del departamento de Nueva Segovia. Fue detenido el día 6 de Enero de 1983 en su casa de habitación por Tropas Guarda Fronteras de Quilalí, sin embargo se le ha buscado en el Comando de Quilalí, cárceles de Ocotal, Estelí y Matagalpa, sin poder localizarlo.

3) FELIX ALEJANDRO MARTINEZ GARCIA. 25 años de edad, casado, agricultor y del domicilio de la Comarca Baná Centro, jurisdicción de Wiwilí, departamento de Nueva Segovia. Fue detenido junto con su hermano Santos Marcelo, el día 6 de enero de 1983, por Tropas Guarda Fronteras de Quilalí, sus familiares fueron informados recientemente que habían aparecido muertos, versión que no ha podido ser confirmada.

4) FELIX PEDRO GONZALEZ BARRERA. Detenido el 23 de Febrero de 1983, en las inmediaciones de la Bodega de ENCAFE, en

.6

Pantasma, jurisdicción del departamento de Jinotega y conducido posteriormente al Comando de esa localidad, donde le estuvieron pasando comida durante dos días, después de éstos, sus familiares fueron informados que había sido puesto en libertad, sin embargo sus familiares desde la fecha de su detención no lo han visto.

5) BAYARDO RAMON MADRIGAL BENAVIDES. De 43 años, casado, agricultor y del domicilio de Managua. En el mes de julio de 1982, había obtenido su libertad en virtud de haber cumplido sentencia de tres años, impuesta por los Tribunales Especiales de Justicia.

Fue detenido el día 11 de marzo de 1983 en Chinandega, cuando se dirigía al campo a cortar algodón, ignorando sus familiares el lugar donde fue llevado después de su detención. Se le ha buscado en cárceles de Chinandega, León, Managua e igualmente en cárceles de Seguridad del Estado en la II Región. Con fecha 9 de Diciembre de 1983, en las cárceles de Seguridad del Estado en Quinta YE, informaron que nunca ha estado detenido en las mismas.

6) JUAN PABLO PICADO GONZALEZ. De 33 años de edad, soltero, agricultor y del domicilio de Santa María de Pantasma, jurisdicción del departamento de Jinotega. Fue capturado el 12 de Abril de 1983, en Cuatro Esquinas de Pantasma y conducido al Comando de Pantasma, de donde informaron que había sido trasladado a Matagalpa, sin embargo no ha podido ser localizado ni en las cárceles de Matagalpa ni Jinotega.

7) WILLIAM RAYMUNDO VALLEJOS MARTINEZ. 29 años de edad, casado, comerciante. Desapareció el día 3 de Enero de 1983 en el trayecto de la carretera Chinandega-Managua, viajaba en un vehículo FIAT, Placa MA-ZS-565, el cual apareció el día 8 de Enero, abandonado en el Balneario Las Peñitas. Sus familiares han tenido informes que se encuentra detenido en las cárceles conocidas como Quinta "Ye", pero en este lugar niegan haya estado o se encuentre detenido. Se le ha buscado en las cárceles de Managua, León y Chinandega sin que se le haya podido localizar.

8) JUAN GARCIA RIVAS. De 43 años, casado, agricultor y del domicilio de la Comarca Bijao Norte, jurisdicción de Matagalpa. Capturado el 12 de Abril de 1983, en la Hacienda El Carmen, situada en la Comarca Bijao Norte, por varios efectivos militares, sus familiares ignoran el lu-

.7

gar donde fue trasladado posteriormente a su captura.

9) LINO GARCIA AMAYA. 28 años de edad, casado, agricultor, del domicilio de la Comarca Bijao Norte, jurisdicción de Matagalpa. Fue capturado el día 12 de Abril de 1983 junto con su padre el Sr. Juan García Rivas, ambos pertenecen a la Asociación de Trabajadores del Campo (A.T.C.) se les ha buscado en distintas cárceles de Matagalpa y Jinotega, según últimos informes a sus familiares les dijeron que habían sido trasladados a Puerto Cabezas. Sin embargo autoridades del Ministerio del Interior de ese lugar no han confirmado dicha version.

10) PEDRO JOAQUIN MORENO LUMBI. 22 años, soltero, agricultor, del domicilio de San José de la Mula, jurisdicción del departamento de Matagalpa. Fue capturado el día 18 de Abril de 1983, en la Hacienda San Francisco, situada en Pancasán, departamento de Matagalpa, ignorándose hacia donde fue trasladado después de su captura. A su hermano le informaron en el mes de Julio del mismo año que había resultado muerto al intentar fugarse, cuando lo trasladaban de Matiguás a Matagalpa, pero las autoridades de este último lugar no han confirmado esta versión.

11) PASTOR CRUZ HERRERA. 26 años, soltero, agricultor y del domicilio de San Marcos de Abajo, jurisdicción de San Rafael del Norte, Jinotega. Salió de su casa de habitación en Compañía de unos amigos el día 17 de Mayo de 1983, después de lo cual no regresó a su casa. El día 3 de Junio de 1983 le informaron a sus familiares que se encontraba detenido en las cárceles de la Seguridad del Estado denominada Las Tejas, bajo investigación diciéndole que regresara dentro de 15 días para saber los resultados de la investigación. El 16 de Junio que se presentó nuevamente le informaron que había sido trasladado a Jinotega a la orden de la Seguridad del Estado, asímismo sus familiares fueron informados por un prisionero que salió en libertad que estuvo efectivamente detenido en Las Tejas, ya que habían estado juntos en la misma celda, sin embargo en las cárceles de Seguridad del Estado de Jinotega y Matagalpa niegan su detención.

12) RAMON SALINAS LOPEZ. De 46 años de edad, casado, carpintero, del domicilio de Waslalita, departamento de Matagalpa. Fue capturado el día 13 de Marzo de 1983, en el lugar conocido como El Naranjo, trasladándolo posteriormen-

.8

te al Comando de Waslala, sus familiares han visitado tanto este lugar, como las cárceles de Matagalpa y Jinotega sin poder localizarlo.

13) ZACARIAS BLANDIN CASTRO. 40 años, casado, agricultor y del domicilio de El Guabo, jurisdicción de Muy-Muy Viejo departamento de Matagalpa. Fue capturado el 20 de Marzo de 1983, por denuncia de supuestas actividades contrarrevolucionarias, fue conducido posteriormente hacia el lugar conocido como El Coloso, sus familiares han visitado distintas cárceles en Matagalpa, Matiguás, y Managua, sin localizarlo.

14) ANGEL ALVAREZ URBINA. 42 años, viudo, ganadero y del domicilio de El Coral, jurisdicción de Nueva Guinea, fue detenido el 30 de mayo de 1983 en su casa de habitación supuestamente por miembros de la Seguridad del Estado y trasladado hacia Nueva Guinea. Sus familiares fueron informados que se encontraba detenido en las cárceles de Seguridad del Estado en Juigalpa, donde no se ha podido tener información sobre este caso.

15) DELMIRA BLANDON VDA. DE SUAREZ. 42 años, viuda, ama de casa, del domicilio de Pancasán, departamento de Matagalpa. Desapareció el día 6 de Abril de 1983, en Siuna, departamento de Zelaya, lugar hacia donde se había trasladado para asistir a una cita que le formulara el Sr. Otilio Duarte, Responsable de Seguridad del Estado de Siuna y el Sr. Santos López, Responsable de UNAG, para hacerle entrega de un ganado de su propiedad que ilegalmente se le había quitado, fecha desde la cual no se ha presentado a su casa de habitación.

16) JORGE ALBERTO URRUTIA SOLIS. 18 años de edad, soltero, agricultor, del domicilio de La Paz Centro, desapareció desde el 5 de Febrero de 1983, cuando de su casa de habitación se dirigía a la ciudad de León. Según informes de un ex-compañero del Ejército, a sus familiares, fue capturado en un lugar llamado Las Colinas, cerca del Momotombo y llevado detenido hacia Chinandega. Anteriormente a su desaparición en el mes de Enero, llegaron a buscarlo a su casa de habitación varios compañeros del Ejército, alegando que lo buscaban para capturarlo pues tenían informes de que el mencionado joven estaba involucrado en actividades contrarrevolucionarias. El joven URRUTIA SOLIS, estuvo integrado al Ejército Popular Sandinista por dos años, al momento de su desaparición se encontraba dado de baja de sus servicios en el Ejército.

.9

17) CALIXTO COLLADO FLORES. 42 años, casado, agricultor y del domicilio de la Comarca San José, jurisdicción de Somotillo, en el departamento de Chinandega. Fue detenido el 23 de Abril de 1983, en el Sector del Río La Ceiba, frontera con Honduras, al momento de la captura fue vendado, se ignora la identidad de sus captores.

18) CORONADO GARCIA CASTRO. 34 años, soltero, agricultor, del domicilio de El Guapinol, jurisdicción del departamento de Jinotega. Fue capturado el 20 de Agosto de 1983 en Jinotega y trasladado supuestamente a la cárcel denominada Las Tejas en Matagalpa, lugar donde han negado que se encuentre detenido, asímismo se le ha buscado en Comando y cárceles de Jinotega y Matagalpa, sin localizarlo.

19) FELIPE SANTIAGO JIMENEZ GUTIERREZ. 38 años, soltero, agricultor del domicilio de San Pedro de las Calles, jurisdicción de San Juan de Telpaneca, departamento de Madriz. Fue capturado el 30 de Agosto de 1983, en el lugar de su domicilio bajo acusación de ser colaborador de contrarrevolucionarios, por seis individuos vestidos de milicianos que prestan servicio en el Comando de San Juan de Telpaneca, lugar que sus familiares visitaron posteriormente pudiendo reconocer a los captores, sin embargo estos negaron su detención en dicho comando. Se le ha buscado en las cárceles de La Barranca y la Chácara en Estelí donde no ha podido ser localizado.

20) FELIX ALBERTO ESTRADA SANDOVAL. 26 años, soltero, pintor y del domicilio de Managua. Fue capturado entre los meses de Febrero a Marzo de 1983, según informes que han dado a sus familiares fue capturado en una zona de guerra, y prisioneros que han salido en libertad de El Chipote, han informado que se encuentra detenido en dichas cárceles, pero en este lugar les han negado reiteradamente su detención.

21) EUSEBIO SOBALVARRO BLANDON. 22 años, soltero, agricultor, del domicilio del Barrio Linda Vista en Jinotega.

22) OSCAR SOBALVARRO ZELEDON.

23) JUAN CHAVARRIA ARTETA.

24) MANUEL DE JESUS DUARTE SOBALVARRO.

25) JUAN DIAZ MAIRENA.

26) CRUZ CHAVARRIA ARTETA.

27) JOSE ZELEDON RIZO.

.10

28) DOMINGO FLORES PALACIOS.

Fueron detenidos el 22 de Octubre de 1983 entre el Cuá y San José del Bocay, en el departamento de Jinotega, por miembros de la Seguridad del Estado, desconociendo sus familiares el lugar donde fueron trasladados posteriormente a su captura, ya que los han buscado en las cárceles del Sistema Penitenciario de Matagalpa y Jinotega y en las cárceles de Seguridad del Estado en ambas ciudades, en las cuales han negado que se encuentren detenidos. Sin embargo uno de los jóvenes que fue detenido junto a los mencionados, de nombre JORGE VARGAS RIVERA, de 19 años, soltero, colector de bus y del mismo domicilio que los otros detenidos, se encuentran prisioneros en el Comando Central Carlos Fonseca de la ciudad de Matagalpa, pero en este lugar han negado la detención de los otros ocho jóvenes detenidos el mismo día junto con él.

29) BASILIO RODRIGUEZ MARTINEZ. 34 años, casado, agricultor y del domicilio de la Comarca La Venada, jurisdicción de La Azucena, Río San Juan. Fue detenido por miembros de la Policía Sandinista, pero a sus familiares les informaron que había sido trasladado a las cárceles de Granada, donde lo han buscado sin ningún resultado.

30) MARCOS ANTONIO MARTINEZ RIOS. 19 años, soltero, estudiante.

31) ARMANDO RIOS MARTINEZ. 20 años, soltero, agricultor.

Fueron detenidos juntos en Sébaco el día 1o. de Diciembre de 1983, supuestamente por miembros de la Seguridad del Estado, ya que el día 8 de diciembre de 1983 se presentaron al Valle El Jocote, donde estos jóvenes residían, miembros de la Seguridad del Estado de Matagalpa a realizar otras capturas.

TORTURAS Y MALOS TRATOS A LOS PRISIONEROS

Durante el año de mil novecientos ochenta y tres, más de un centenar de casos de torturas o aplicación de tratos crueles, inhumanos o degradantes, fueron expuestos ante nuestras oficinas. Tratos humillantes desde la captura e investigación hasta el cumplimiento de la pena, han sido reportados constantemente, tanto por los familiares de los prisioneros, como por ellos mismos, bajo la permanente amenaza de que los que suscri-

.11

ben estas exposiciones, sufren represalias.

Las capturas al amparo de la media noche y cuando las familias se encuentran dormidas, ha sido un "nuevo método" empleado en mil novecientos ochenta y tres. En numerosos casos los prisioneros al ser capturados son sometidos a severas golpizas, e inmediatamente son esposados de las manos y pies, y tirados a los pisos de los vehículos en que son conducidos a los centros de investigación; durante el trayecto los prisioneros son objeto de los más bajos insultos y amenazas. En el sector rural los prisioneros son amarrados con las manos hacia atrás y obligados a caminar grandes distancias de esta forma, siendo golpeados durante el trayecto. Han sido reportados casos en que cuando las autoridades no encuentran en su casa a la persona buscada, proceden a detener a otro miembro de la familia, hasta que capturen a quien originalmente buscaban.

Posteriormente en las Unidades de Operaciones de Seguridad del Estado, los prisioneros son sometidos a diferentes torturas y malos tratos entre los que destacan el tener a la persona por varios días sin comer y a veces sin tomar agua, ya que según los investigadores "la comida debe de ganarse dando declaraciones". Asímismo han sido reportados casos de prisioneros que son colgados de las manos durante tres o cuatro días, después de los cuales los pasan a interrogación; los prisioneros que son considerados como "peligrosos", son mantenidos en celdas herméticamente cerradas y sin luz, teniendo como ventilación un pequeño tubo en el techo, estos prisioneros cuando se les permite visitas de sus familiares experimentan grandes dolores en los ojos al salir a la luz. Las golpizas durante los interrogatorios continuan siendo un "método de investigación" de empleo generalizado, sobre todo en los departamentos del interior del país.

La situación de los prisioneros en general, sufrió un gran deterioro durante el año que finalizó, especialmente para los prisioneros de la CARCEL MODELO, en las Galerías 1, 2 y 3; y en la cárcel conocida como ZONA FRANCA, en el Pabellón número 3. Podríamos decir que la represión masiva de estos miles de prisioneros tuvo su más alta expresión durante mil novecientos ochenta y tres; la implementación de un inhumano sistema de visitas en el cual un prisionero recibe visita solamente de un familiar, cada cuatro meses, y por espacio de media hora; la limitación de la entrada de provisión, a 20 libras cada cuatro meses, para que el prisionero complemente la exigua dieta carcelaria que consiste en una pequeña cucharada de arroz y frijoles dos veces por día. Los cateos o re

.12

gistros intespestivos durante los cuales se mantiene a los reos acostados en el piso durante horas bajo la amenaza de armas y el hecho de que después de estos cateos les sean quitados a los reos todas sus pertenencias personales, inclusive los colchones en que duermen ha sido reportado de una manera frecuente a nuestras oficinas. Una nueva modalidad empleada durante el finalizado año, fue que los prisioneros cumplen sentencias tanto en la ZONA FRANCA, como en la CARCEL MODELO, fueron trasladados innumerables veces tanto a las cárceles de la Seguridad del Estado, en el complejo El Chipote, como a las cárceles de diferentes departamentos del país, donde fueron sometidos a malos tratos y mantenidos durante días sin comer. Hacemos ver que según nuestros reportes, al ser trasladados los prisioneros iban en vehículos herméticamente cerrados y esposados unos con otros haciendo una gigantesca cadena humana. La falta de visitas, las prohibiciones para que los prisioneros recíban sol, la reducción en la ración de comida y el aislamiento en celdas especiales, han sido los "castigos" empleados en contra de los prisioneros en las cárceles mencionadas.

******

ORDENES DE LIBERTADES RETENIDAS

La Comisión Permanente de Derechos Humanos de Nicaragua sigue recibiendo numerosas denuncias de familiares de prisioneros quiénes han manifestado que a pesar de que autoridades judiciales competentes han otorgado ordenes de libertad a su favor, el Sistema Penitenciario Nacional ha desacatado tales resoluciones reteniendo injustificadamente a estos prisioneros. Esta Comisión ha hecho las gestiones pertinentes ante las autoridades respectivas, sin que hasta la fecha se hayan obtenido resultados positivos en ese sentido.

Hicimos un llamado en nombre de sus familiares a la Junta de Gobierno de Reconstrucción Nacional y al Ministerio del Interior, para que enmendara este injustificado y arbitrario proceder, violatorio a los principios generales del derecho y a los convenios internacionales en materia de derechos humanos.

Como consecuencia, el Dr. Rafael Códova Rivas, miembro de la Junta de Gobierno, anunció como una "concesión especial", para el Día Mundial de los Derechos Humanos, la liberación de algunos de estos prisioneros, cuando en realidad era una obligación que debían haber cumplido de inmediato.

.13

Anuncia Córdova Rivas en Día de los Derechos Humanos

Más medidas humanitarias para los reos somocistas

Todos los ex-guardias somocistas, así como los reos juzgados por los Tribunales Populares Antisomocistas que habiendo cumplido su condena se encuentran aún detenidos debido al Estado de Emergencia, serán liberados en homenaje al Día Internacional de los Derechos Humanos.

El anuncio fue hecho el sábado por el doctor Rafael Córdova Rivas, miembro de la J.G.R.N., durante la inauguración de la Casa de los Derechos Humanos Leonte Herdocia Ortega en Managua, conmemorando el 35 aniversario de la celebración del Día Internacoinal de los Derechos Humanos.

Al mismo tiempo informó que a petición de la Comisión Nacional de Promoción y Protección de los Derechos Humanos (CNPPDH) el gobierno revolucionario decidió trasladar a los reos de cárceles cerradas y de régimen semi-abierto, a la Granja de Régimen Abierto, en donde se encontraban los miskitos que el seis de noviembre fueron liberados.

El miembro de la Junta de Gobierno aclaró que esta medida se aplicará con los reos que han demostrado excelente conducta y deseos de laborar en tareas agrícolas que se practican en la Granja de Régimen Abierto.

Estas decisiones pese al asedio norteamericano por tratar de quebrantar la voluntad del gobierno revolucionario para que en nuestro país no se promuevan los derechos humanos, son una muestra de la voluntad de la Junta de Gobierno y el FSLN por mantener y consolidar la paz conquistada.

En el acto de inauguración de la Casa de los Derechos Humanos Leonte Herdocia Ortega, el compañero Miguel Angel Avilés, Segundo Presidente de la CNPPDH, condenó las agresiones norteamericanas y el establecimiento de bases militares en territorio hondureño, porque "no podemos dejar pasar por alto el derecho de autodeterminación del pueblo nicaragüense que le permita continuar con los avances sociales", agregó.

Al considerar que la primera obligación de la CNPPDH es reclamar por el derecho de autodeterminación de los nicaragüenses hizo un llamado a los pueblos amantes de la paz para que se dirijan a sus respectivos gobiernos y pidan el cese de las agresiones imperialistas contra Nicaragua.

Además del doctor Córdova Rivas y el licenciado Miguel Angel Avilés, asistieron al acto de inauguración, los familiares de Leonte Herdocia, el compañero Ramiro Lacayo, Tercer Vice-presidente de la CNPPDH y otros miembros de la Comisión.

BARRICADA *LUNES, 12 de Diciembre de 1983.*

PRISIONEROS CON ORDENES DE LIBERTADES RETENIDAS

NOMBRE	FECHA DE LAS ORDENES DE LIBERTAD
ROBERTO ANTONIO ABURTO PALACIOS	02/09/83
DANIEL DE JESUS GONZALEZ MIRANDA	22/02/83
JOSE FRANCISCO GONZALEZ GUILLEN	01/03/83
JOSE DOMINGO GUADAMUZ GUEVARA	08/09/83
DOMINGO HERNANDEZ RODRIGUEZ	20/09/83
TEODORO MARADIAGA GONZALEZ	08/09/83
JOAQUIN ARNULFO PEREIRA USEDA	05/09/83
ALFONSO ANTONIO ROSALES GARCIA	02/09/83
MANUEL SALVADOR SANCHEZ POTOSME	22/09/83
REYNERIO TALAVERA MENDEZ	02/09/83
DAYSI DEL SOCORRO GUERRERO MELENDEZ	28/02/83
ARMANDO DAVILA MARTINEZ	13/05/83
JOSE RAMON CRUZ PERALTA	06/05/83
RAMON GUTIERREZ LOPEZ	08/09/83
CARMELO SANCHEZ GONZALEZ	25/04/83
VICENTE TAISIGUA SANDOVAL	25/04/83
CESAR AUGUSTO GUTIERREZ ARRIETA	13/10/83
HORACIO ANTONIO GOMEZ AMPIE	28/10/83
HERMOGENES RAFAEL RAYO SANDOVAL	08/10/83
BAYARDO JOSE BALMACEDA ORTIZ	04/11/82
JOSE ARMANDO PAZ CARDOZA	12/04/83
JUAN JOSE ALCANTARA URBINA	12/10/83
HUMBERTO ANTONIO PERALTA GAITAN	19/10/83
JOSE RENE DELGADILLO OBANDO	16/11/83
ROSA DEL CARMEN FLORES ESPINALES	07/12/82
ANASTASIO SEQUEIRA ANGULO	16/11/83
DANIEL ARTURO ANGULO SEQUEIRA	16/11/83

.15

PRISIONEROS SIN PASAR AL JUEZ

Cincuenta y tres prisioneros aguardan en las cárceles, desde hace varios meses, a que las autoridades militares y del Ministerio de Justicia se decidan a enviar sus casos a la orden del Juez. Esta problemática ha sido permanente desde el Estado de Emergencia impuesto en 1982, puesto que no existe ningún recurso legal para obligar a estos funcionarios a hacer justicia. Ya son numerosos los casos de prisioneros que han muerto en las cárceles por enfermedades y accidentes mientras aguardan a que algún Juez pueda conocer de sus casos y declararlos inocentes.

LISTA DE PRISIONEROS SIN PASAR A LA ORDEN DEL JUEZ

-EN ESTADO DE INDEFENSION DESDE QUE FUERON CAPTURADOS-

NOMBRE	FECHA DE CAPTURA
FELIPE BETANCOURT ZEPEDA	Mayo, 1982.
RONALD MARTINEZ HERNANDEZ	Julio 3, 1982
ERNESTO PICADO HERNANDEZ	Octubre 10, 1982
JORGE IGNACIO RAMIREZ ZELAYA	Mayo 21, 1983
REYNALDO GARCIA MOYA	Junio 24, 1983
JUAN RAUDALES MANGAS	Junio 24, 1983
MIGUEL CASTILLO GUTIERREZ	Junio 24, 1983
EDGARD DE JESUS TORUÑO RAUDALES	Junio 24, 1983
JULIO ROQUE HUETE	Junio, 1983
SIMON ROGER CRUZ BENAVIDES	Junio 30, 1983
JOSE ELEODORO MIRANDA PEREZ	Julio 18, 1983
FRANCISCA RAMONA MEMBREÑO RUIZ	Agosto 11, 1983
JOSE DANIEL NAVARRETE ESPINO	Agosto 11, 1983
LUIS SALVADOR ARANDA MAIRENA	Agosto 26, 1983
CARLOS ENRIQUE MARADIAGA BALDIZON	Agosto 28, 1983
ORLANDO LARGAESPADA ARAICA	Agosto 17, 1983

.16

NOMBRE	FECHA DE CAPTURA
MARIO ANTONIO ABURTO FLORES	Septiembre 1, 1983
RICARDO OCTAVIO GAITAN VILLALOBOS	Septiembre 1, 1983
DIONISIO GUADALUPE SALGADO ESTRADA	Septiembre 1, 1983
DOMINGO GERMAN RIVAS QUEZADA	Septiembre 1, 1983
CRISTOBAL DE JESUS GUTIERREZ MEMBREÑO	Sepitembre 1, 1983
ENRIQUE JOSE BRAFORD COULSON	Septiembre 1, 1983
RICARDO LOPEZ MIRANDA	Septiembre 4, 1983
PEDRO AGUILAR GRANERA	Septiembre 4, 1983
ROGER ALEJANDRO JIRON CRUZ	Septiembre 13, 1983
NORMA YASMIN HURTADO BORGE	Septiembre 24, 1983
GUSTAVO ADOLFO MOLINA SILES	Septiembre 26, 1983
MODESTO DE LOS SANTOS PAYAN AGUIRRE	Septiembre 27, 1983
ROBERTO ARANA BAEZ	Septiembre 26, 1983
PEDRO JESUS ESPINOZA PULIDO	Septiembre 26, 1983
MARCIAL GUZMAN PEREZ	Septiembre 27, 1983
DOMINGO EZEQUIEL AGUILAR LOPEZ	Septiembre 27, 1983
EDUARDO LLANO RAMOS	Septiembre 27, 1983
RAUL LLANO RAMOS	Septiembre 27, 1983
FRANCISCO ADOLFO SAENZ MEJIA	Septiembre 27, 1983
ARMANDO ROSTRAN PULIDO	Septiembre 28, 1983
HERNAN SERRANO CERDA	Septiembre 29, 1983
ROGER GUZMAN BOLAÑOS	Octubre, 1983
VICENTE MARQUEZ ALEMAN	Octubre 24, 1983
MAURO GONZALEZ MERCADO	Noviembre lo, 1983
JOSE ANTONIO BARQUERO ESTRADA	Noviembre 8, 1983
MARIO MIGUEL MENDOZA MAYORGA	Noviembre 8, 1983
ARCEDIO ANTONIO ORTIZ ESPINOZA	Noviembre 5, 1983
NARCISO SILVA GAITAN	Noviembre 6, 1983

.17

NOMBRE	FECHA DE CAPTURA
ORLANDO MENDOZA LAGUNA	Noviembre 12, 1983
BOANERGES MATUS LAZO	Noviembre 13, 1983
RENE OSMAN MORA SANDINO	Noviembre 13, 1983
ORLANDO NAPOLEON MOLINA AGUILERA	Noviembre 14, 1983
ENOES URBINA HERNANDEZ	Noviembre 14, 1983
VICENTE ZAMORA GOMEZ	Noviembre 15, 1983
JUAN DE DIOS AGUILAR GARCIA	Noviembre 15, 1983
ROQUE JACINTO BLANDON RIVERA	Noviembre 16, 1983
FRANCISCO DEL CARMEN GUARDADO RODRIGUEZ	Noviembre 13, 1983

****** SITUACION SINDICAL EN 1983 ******

Al hacer un resumen de lo acontecido en el campo Sindical durante 1983, no podemos dejar de ver la situación desde dos puntos de vista. Por un lado la situación de las organizaciones obreras independientes que son sometidas a constantes campañas publicitarias de descrédito y cuyos afiliados han tenido que afrontar los más diversos problemas; y por otro lado, la violación a la libertad sindical que ha sido común a todas las organizaciones sindicales y es el hecho de que en Nicaragua no hay derecho a la huelga.

Aunque el Gobierno de Nicaragua ha suscrito convenios internacionales en los cuales se garantiza la libertad de Asociación Sindical, las denuncias de casos de represión sindical ante las oficinas de la CPDH de Nicaragua han sido permanentes durante 1983: detenciones, amenazas de captura, hostigamientos, ataques de "turbas" y despidos a todos los niveles en los sindicatos independientes, han marcado un duro trajinar para estas organizaciones durante el año que finaliza.

SECTOR CAMPESINO.

El sector rural organizado en Sindicatos independientes ha sido el que más ha sufrido, tanto por parte de las autoridades militares, como por parte de integrantes de organismos funcionales del FSLN, (ATC, CDS, MPS). Las detenciones -la mayoría de las veces entre 3 y 6 meses- y las constantes

.18

presiones y hostigamientos para que abandonen las filas de sus respectivos sindicatos o para que se conviertan en informadores de la Seguridad del Estado, ha sido una tónica general empleada en contra de campesinos afiliados a la CTN, en las regiones rurales de Zelaya Sur (Nueva Guinea), Matagalpa, Granada, Estelí y León. Algunos de los campesinos afiliados a la CTN, luego de ser detenidos han sido puestos a la orden de los Tribunales Populares Antisomocistas, desde inexplicablemente ha sido negada toda información a la CPDH respecto a los casos.

Resulta altamente preocupante el hecho de que en algunas regiones del país, los miembros de Sindicatos afiliados a la CTN, hayan sido atacados por elementos dirigidos por miembros de la Asociación de Trabajadores del Campo y miembros de las Milicias Populares Sandinistas; tal es el caso del Sindicato de Trabajadores "El Mombacho", en la Hacienda La Luz, del Departamento de Granada, cuyas instalaciones fueron destruídas en Octubre del año recién pasado y sus dirigentes fueron salvados de la muerte por la intervención de los trabajadores.

Un caso que ha llamado la atención internacional, tanto de organismos de Derechos Humanos como de diferentes gobiernos europeos, es el de diez dirigentes campesinos de la zona de Jalapa, en el departamento de Nueva Segovia, quiénes fueron detenidos desde el mes de octubre de mil novecientos ochenta y dos (1982) y que hasta el mes de Diciembre de mil novecientos ochenta y tres permanecieron detenidos en las cárceles del Sistema Penitenciario de Estelí, a la orden de la Seguridad del Estado, sin haber sido puestos a la orden de alguna autoridad judicial. Los cargos en contra de ellos es el de ser "potenciales enemigos de la revolución".

SECTOR URBANO.

Entre los obreros de la ciudad afiliados a los sindicatos independientes la represión se ha manifestado en citaciones donde son obligados a firmar "compromisos de colaboración" y de "defensa del proceso revolucionario"; detenciones bajo cargos como "irrespeto a la autoridad" o "boicotear la producción". En la mayoría de los casos una vez que los obreros son liberados, se encuentran con que han perdido sus empleos.

El día primero de Mayo de mil novecientos ochenta y tres, mientras se oficiaba una misa en la Iglesia Don Bosco en esta

.19

ciudad de Managua, en conmemoración del "Día Internacional de los Trabajadores"; hicieron su aparición las "turbas", quiénes procedieron a golpear a los que identificaban como dirigentes sindicales; la Policía Sandinista observaba esos ataques sin intervenir. Posteriormente algunos de los golpeados fueron detenidos y llevados a la Sub-Estación de Bello Horizonte donde fueron interrogados.

Uno de los sindicatos que más ha sido golpeado a nivel urbano, durante el presente año, es el Sindicato de Motoristas de Transporte Urbano (SIMOTUR), que integra a una gran cantidad de conductores de la Empresa Nacional de Buses (ENABUS); numerosos miembros de este sindicato han sido despedidos por "indisciplina laboral", después que sus casos han sido "discutidos" entre la patronal y los representantes del sindicato de la Central Sandinista de Trabajadores. Durante el mes de Noviembre, los principales dirigentes de este sindicato fueron encarcelados en El Chipote, acusados de realizar "actividades contrarrevolucionarias", algunos de los cuales permanecen hasta la fecha en las cárceles de la Zona Franca.

DIRIGENTES NACIONALES.

Los principales líderes a nivel nacional de las organizaciones obreras independientes no han permanecido al margen de la suerte que han corrido los miembros de base, aunque el trato ha sido más selectivo. Además de las constantes campañas denigratorias a traves de los medios de comunicación oficialistas, los principales líderes obreros independientes han sido citados por diferentes autoridades del Ministerio del Interior, donde son "advertidos" por las actividades que realizan. Otros han sido detenidos por algunas horas para "investigar" los vehículos en que se desplazan que frecuentemente son relacionados con asaltos o robos. El número de violación a la libertad sindical, se incrementó durante 1983.

VIOLACION A LOS DERECHOS POLITICOS

Fue un tratamiento generalizado contra los diversos partidos políticos de oposición la falta de garantías para el desarrollo de sus actividades. La suspensión de la libertad de expresión, reunión, movilización y la ausencia de garantías legales reinó durante 1983, restringiéndose a su mínima expre-

.20

sión el ejercicio político de los nicaragüenses. Además de la falta de condiciones para el pluralismo, el gobierno y sus organismos de masas, llevó a cabo una campaña de descrédito, amenazas, agresiones y capturas contra los líderes y sus bases partidarias; que se manifestó de múltiples formas en todo el país, confirmando de esta forma sus intenciones de anular el pluralismo político en el genuino sentido de la palabra. Ante esta escalada represiva acentuada en el primer semestre de 1983, el gobierno no ha establecido preferencias y ha irrespetado inclusive a los representantes de estos partidos ante el Consejo de Estado, quiénes tienen inmunidad parlamentaria.

A través del descrédito, la injuria y la difamación, los medios de comunicación oficialistas atacan a los líderes y militantes de los grupos democráticos y no existen posibilidades de pedir siquiera una rectificación.

En el mes de Diciembre de 1983 el gobierno sandinista ha prometido nuevamente elecciones, para verificarse supuestamente en 1985. La CPDH considera que no puede improvisarse un sistema democrático en un año; que a la fecha no existe Ley Electoral; no se sabe que tipo de elecciones se realizarán, ni que es lo que se va a elegir. Mientras persistan las actuales circunstancias de suspensión a la libertad de expresión, reunión y movilización, esas declaraciones no serán más que simples promesas, el gobierno sandinista tiene que realizar hechos concretos que pongan de manifiesto su intención de darle a los nicaragüenses el derecho a su propia autodeterminación.

Algunos de los casos que fueron presentados a nuestra oficina, fueron los siguientes:

- FRANCISCO RODRIGUEZ, FELICIANO POLANCO y JULIO R. MONTES. Dirigentes Socialcristianos. Permanecieron detenidos durante un año a causa de su militancia en el PSC.
- FELIX PEDRO ESPINOZA. Dirigente Conservador. Detenido, amenazado, golpeado, injuriado y expulsado de su ciudad natal. Era miembro del Consejo de Estado.
- BRENDA MAYORGA DE RAMOS. Interrogada y detenida por su participación y colaboración en el Partido Social Cristiano. Presionada para ser informadora de la Seguridad del Estado.

.20

- MARIO JOSE CASTILLO y CARLOS SANCHEZ NARVAEZ. Dirigentes Conservadores. Detenidos por presuntas implicancias en atentado contra el Canciller Nicaragüense. Fueron presionados para declarar contra otros miembros del Partido Conservador.
- ENRIQUE SOTELO BORGEN. Dirigente Conservador. Capturado e incomunicado durante dos semanas por supuestas sospechas en su contra. Hostigado psicológicamente en la cárcel.
- JULIO ROSALES. Dirigente Social Cristiano. Fue citado en varias ocasiones por la Seguridad del Estado de León.
- EDUARDO BERRIOS MARIN. Fue amenazado de muerte y amedrentado por un miembro del Ejército a causa de su militancia en el Partido Conservador.
- CRISTOBAL MARTINEZ y EUSEBIO GARCIA TELLEZ. Dirigentes Socialcristianos, que permanecieron detenidos durante varios meses por sus actividades políticas.
- MIGUEL ANGEL MANZANARES y AZUCENA FERREY. Líderes sociales y nacional del PSC, cuyas casas han sido atacadas por organismos de masas del FSLN.

VIOLACION A LOS DERECHOS RELIGIOSOS

Las autoridades del gobierno Sandinista y sus organismos de masas han desatado una persecución en contra de las autoridades de la Iglesia Católica y Movimientos Cristianos, impulsando por su parte una iglesia paralela a la que denominan Popular, con el objetivo de dividir al pueblo creyente; a la base de esta pretendida división se encuentra la lucha ideológica en la que utilizan armas como la calumnia y la difamación de las que se hacen eco los medios Estatales y Para-estatales.

Como medida represiva han impuesto a Radio Católica, voz oficial de la Iglesia, una férrea censura e implementado la vigilancia de sacerdotes quiénes son constantemente perseguidos por elementos desconocidos.

Con motivo de la visita del Papa a Nicaragua en marzo de 1983, el gobierno a través de sus organismos desarrolló una serie de hechos que pusieron en duda la invitación al Sumo Pontífice. Los más conocidos fueron, la censura impuesta a los medios de comunicación en todo lo relativo a la visita papal;

.22

el impedimento a grupos cristianos independientes del gobierno; de participar activamente en la recepción al Papa, tanto en el aeropuerto como en las diferentes plazas donde compareció el Pontífice; la manipulación ofensiva de la transmisión de la misa y la alteración abusiva de los micrófonos y parlantes donde hablaba el Papa y el irrespeto a la celebración eucarística varias veces interrumpidas por gritos y consignas partidistas.

Monseñor Miguel Obando, Arzobispo de Managua, ha sido víctima de reiteradas agresiones, así como de una campaña de desprestigio en contra de su persona. Sentimientos, signos y tradiciones de la Fe Católica son continuamente ridiculizados en panfletos y seudo programas cómicos.

Los miembros de los Movimientos Cristianos han sido encarcelados por la Seguridad del Estado que califica sus actividades pastorales como Contrarrevolucionarias.

Los participantes de procesiones, peregrinaciones realizadas con motivo del Año Santo, han sido vícitmas de agresiones físicas por parte de las fuerzas de choque del Partido Sandinista que cuentan con el apoyo abierto de la Policía Sandinista.

En las montañas de Jinotega, el Ejército Popular Sandinista se ha apoderado de las capillas de las Comarcas El Cedro, El Cuá, Caño la Cruz, San José del Bocay; e incendiando las de las Comarcas El Tigre y Aguas Calientes.

Durante el mes de Octubre, los medios de difusión oficialistas gestaron una campaña contra las actividades pastorales desarrolladas por la Congregación Salesiana en Nicaragua, que culminó con la deportación de los sacerdotes Salesianos de nacionalidad española Luis Corral Prieto y José María Pacheco, el día primero de Noviembre de 1983; ambos fueron acusados por el regimen Sandinista de realizar actividades políticas en detrimento de la Ley de Servicio Militar Patriótico. En un gesto arbitrario los mencionados religiosos fueron expulsados sin que las autoridades pusieran en conocimiento de tal decisión a la Conferencia Episcopal de Nicaragua y sin permitirles defenderse de los cargos levantados en su contra.

.23

1.- ANTONIO CELIS ESTRADA. Acusado de diversionismo por utilizar citas bíblicas en sus ejemplos de clase.

2.- OSCAR FRANCISCO FONSECA MONTALVAN. Agredido por pertenecer a la Congregación Juvenil de la Sangre de Cristo.

3.- SANTOS ENRIQUE FLORES MARTINEZ. Juventud Sandinista 19 de Julio y CDS, consideran sospechosas sus reuniones en la Iglesia.

4.- PABLO ANTONIO DETRINIDAD OBANDO. Capturado por pertenecer a la Congregación Juvenil de la Sangre de Cristo.

5.- Protesta del Consejo Presbiteral de la Arquidiócesis de Managua por los ataques, calumnias y ofensas de algunos medios contra el Arzobispo.

6.- Consejos Parroquiales presentan protesta por publicaciones que denigran la persona de Mons. Carballo y la fé católica del pueblo nicaragüense.

7.- DINA ELIZABETH SANTAMARIA FLORES. De nacionalidad salvadoreña, predicadora evangélica, expulsada por Migración, acusada de diversionismo ideológico.

8.- JUAN MIGUEL ESLAQUIT ARAGON. Citado a declarar en el Comando, después que los organismos de masa hicieron pintas en su casa, acusado de inducir a los grupos cristianos juveniles a atentar contra el proceso revolucionario.

9.- Los participantes de una peregrinación fueron agredidos por organismos de masas. La Seguridad del Estado capturó en días posteriores a algunos de los participantes.

10.- ROLANDO JOSE ALVAREZ LAGOS, MANUEL ANTONIO GUILLEN, FRANCISCO RODRIGUEZ ROMAN, FATIMA CAROLINA SEQUEIRA CHAVARRÍA, JOSE MANUEL GUTIERREZ CHAVEZ, PEDRO RAFAEL GUTIERREZ CHAVEZ, MATIL MARGARITA RUIZ, ROLANDO IVAN CHAVEZ; capturados por la Seguridad del Estado por pertenecer a la Pastoral Juvenil; acusados de boicotear las inscripciones al Servicio Militar Patriótico.

11.- JOSE MARIA PACHECO. Sacerdote Salesiano, expulsado por el gobierno, acusado de boicotear la Ley de Servicio Militar Patriótico.

.24

CPDH COMI''ON PERMANENTE DE DERF^HOS HUMANOS DE NICARAGU,
DE NICARAGUA

12.- LUIS CORRAL PRIETO. Sacerdote Salesiano, expulsado por el gobierno, acusado de boicotear la Ley de Servicio Militar Patriótico.

13.- Un miembro de la Directiva del Movimiento Juvenil Salesiano, fue capturado por la Policía Sandinista, que calificó de Misa Negra, una vigilia de oración que se realizaría en el Centro Juvenil Don Bosco.

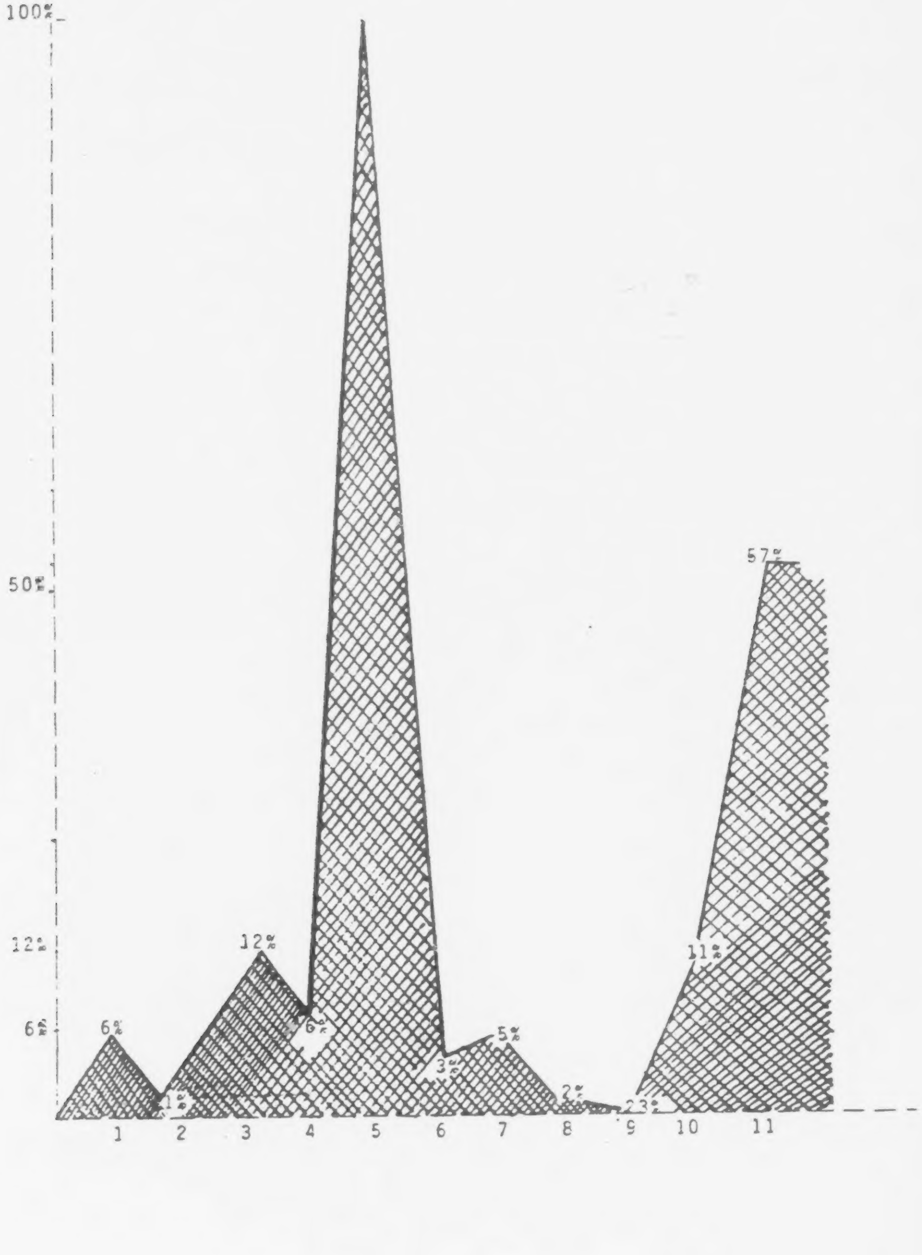
14.- Prelatura de Jinotega denuncia abusos contra la dignidad humana de sus feligreses por parte del EPS que ha quemado capillas convirtiendo en burdel la capilla de San José del Bocay.

15.- Un grupo de jóvenes crisitanos de Chinandega que se dirigía a una asamblea en la ciudad de León, fueron bajados del bus colectivo en que viajaban, para ser interrogados, siendo fotografiados por las autoridades.

Las estadísticas realizadas en relación a los casos de violaciones de los derechos humanos, nos indican que 1983 fue realmente un año muy grave para los nicaragüenses. El alto número de capturas arbitrarias, la falta de garantías legales, la suspensión de los derechos políticos, la falta de libertad de expresión; el atropello y la burla contra los dirigentes católicos, la implementación de tribunales políticos sin garantías judiciales, el atropello contra los jóvenes que se niegan a ser reclutados militarmente, las presiones para convertir a las personas en informadores de la Seguridad del Estado, han mantenido un ritmo constante en 1983. El mes de Diciembre parecía aportar algunos hechos positivos como fue la liberación de algunos miskitos y otros prisioneros políticos. Pero, realmente estamos escépticos ante una posible mejoría en la situación general. Los hechos nos demuestran que hasta la fecha, no se busca solucionar el problema estructural, sino que se dictan medidas, que son meros cosméticos. Si realmente el gobierno quiere conciliación, si realmente busca una mejoría en la situación de los derechos humanos, debe iniciar el levantamiento de la Ley de Emergencia; otorgar libertad de expresión, movilización, reunión, libertad sindical y religiosa, restaurar las garantías judiciales, abolir los Tribunales Políticos y conceder una amnistía. De otra forma lo que se realiza es solamente propaganda para exportación.

Managua, Enero 12 de 1984.

POLIGONO DE CASOS REPORTADOS
A CPDH

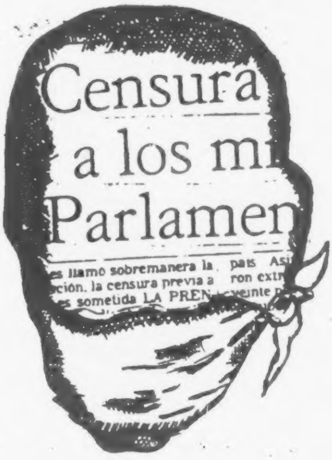


CPDH COMISION PERMANENTE DE DERECHOS HUMANOS DE NICARAGU
DE NICARAGUA

march 19'84

[illegible]

ANALISIS JURIDICO SOBRE EL ANTEPROYECTO


Censura
a los mi
Parlamen
es llamo sobremanera la país Así
ción, la censura previa a ron extr
es sometida LA PREN veinte

DE LEY DE MEDIOS DE COMUNICACION SOCIAL

CPDH COMISION PERMANENTE DE DERECHOS HUMANOS DE NICARAGU
DE NICARAGUA

ANALISIS JURIDICO SOBRE EL ANTEPROYECTO DE LEY DE MEDIOS DE COMUNICACION SOCIAL

En relación con el Anteproyecto de Ley de Medios de Comunicación Social, elaborado por el FSLN con carácter todavía NO OFICIAL, cabe hacer las siguientes observaciones con vistas a la libertad de pensamiento, de expresión y de información:

A.- El anteproyecto en general establece el más estrecho control sobre toda clase de publicaciones habladas y escritas, afectando en diversas formas el derecho a la libertad de opinión, expresión e información establecida en el arto. 19 de la Declaración Universal de Derechos Humanos, arto. 13 de la Convención Americana sobre Derechos Humanos y arto. IV de la Declaración Americana de los Derechos y Deberes del Hombre.

B.- Siguiendo el orden del articulado del Anteproyecto, y sin entrar a referirnos a la confusión de conceptos y de redacción, encontramos en el arto. 5 una primera amenaza potencial contra los medios de comunicación social, al establecerse en este artículo que "el estado garantiza que no exista la posibilidad objetiva de que los medios de comunicación social, en el ejercicio de sus derechos, sean sometidos directa o indirectamente al poder económico de algún grupo social a fin de garantizar su independencia". Esta disposición da al Estado un poder omnímodo y absoluto para acabar con cualquier empresa de prensa, radio, editorial, etc., formada con capital privado, a la que sus dueños quieran lógicamente imprimirle su propia orientación ideológica, política o religiosa. Por otro lado, en contradicción con lo dispuesto en este artículo 5, el artículo siguiente, o sea el arto. 6, establece que el Estado "propiciará la formación y desarrollo de órganos de comunicación de las comunidades y organizaciones de masas", o sea que el propio Estado está fomentando medios de comunicación social "sometidos directamente al poder económico" de determinados grupos sociales.

C.- En el artículo 9, las funciones y atribuciones de la Dirección de Medios de Comunicación son tan extensas y arbitrarias que permiten a dicho organismo estatal dictar resoluciones sobre el "contenido, forma y periodicidad" de los medios de comunicación y "controlar el desarrollo de la publicidad lo que implica una injerencia inaceptable en la vida intelectual y económica de las empresas y personas que trabajan en ese ramo de la comunicación social, injerencia condenada expresamente en el punto 3 del arto. 13 de Convención Americana sobre Derechos Humanos.

D.- En la integración del Consejo Nacional de Comunicación Social establecido en el arto. 10 figura un miembro designado por la UPN. Esta asociación de periodistas tiene un marcado carácter ideológico y partidista y en ella no figura más que un sector de los hombres de prensa y radio, existiendo por lo menos otra asociación de periodistas de tendencia diferente. Resulta así que la integración en el Consejo Nacional de Comunicación Social de un miembro o representante de la UPN le quita imparcialidad a dicho Consejo, que aunque no tiene carácter de Tribunal es asesor de la Dirección de Medios que sí tiene ese carácter, a tal punto que según el arto. 45, esta Dirección deberá de previo solicitarle dictamen para decretar la suspensión definitiva de un medio de comunicación social. En esta forma se viola la garantía de un Juicio imparcial establecida en el arto. 10 de la Declaración Universal y en el arto. 8 de la Convención Americana.

E.- El arto. 23 que hace de la Television un monopolio del Estado, lo que ya en sí constituye una restricción a la libertad de expresión y de información, deja además al arbitrio del Gobierno conceder el uso de la Televisión "a grupos sociales y políticos significativos", lo que constituye una verdadera discriminación.

F.- Resulta gravosa para las emisoras radiales la obligación establecida en el arto. 24 de trasmitir gratuitamente durante una hora diariamente programas estatales de contenido cultural o educativo.

G.- La disposición del arto. 26 que obliga a las radioemisoras a presentar trimestralmente un detalle [illegible] pro gramación a trasmitirse en ese período carece de sentido a menos que se trate de someter esa programación a una censura previa, lo que no se dice en ese artículo ni en otra parte del anteproyecto. Tampoco se explica ni se dice que las radioemisoras no puedan apartarse de la programación presentada, lo que de ser así constituirá un atentado contra la libertad de expresión. También viola la libertad de expresión la autorización previa de la Dirección de Medios para que dos o más radioemisoras se integren en cadena, exigida en el arto. 27 del anteproyecto.

H.- La definición de los medios de comunicación social sujetos al control de la Dirección de Medios, según el arto. 12, es tan extensa que incluye los libros y toda clase de impresos y hasta "cualquier otra forma electrónica; de contenido impreso o similar que sirva para la divulgación generalizada del pensamiento" y "los rótulos y demás medios de publicidad o propaganda". Según esto se considerarán Medios de Comunicación controlados por la Dirección de Medios los mimeógrafos y fotocopiadoras. Todo el que tenga uno de estos aparatos, así como los simples pintores de rótulos estarán sujetos a las disposiciones de la Ley de Medios de Comunicación, -y según el arto. 13 deberán inscribirse en la Dirección de Medios para obtener la licencia respectiva. Además, según el arto. 28 toda fotocopia o copia mimeografiada de un escrito o pensamiento deberá tener pie de imprenta.

Evidentemente todo ésto resulta monstruosamente grotesco en la persecución y control del pensamiento humano.

I.- El capítulo titulado "De la tutela de la libertad de información" consiste en una lista de prohibiciones "en relación a la distribución, circulación, exposición, difusión, exhibición, trasmisión o venta de escritos, dibujos, impresos, grabados, imágenes, anuncios, programas, emblemas, fotografías y cualquier tipo de comunicación".

El arto. 32, acápite B) reserva a la Junta de Gobierno, Tribunales de Justicia y Ministerio del Interior el derecho de dar a la publicidad nombres y fotos de las personas acusadas de delitos comunes, a menos que

.4

ya hayan sido condenados. Esta prohibición acaba con toda crónica policial de los medios informativos.

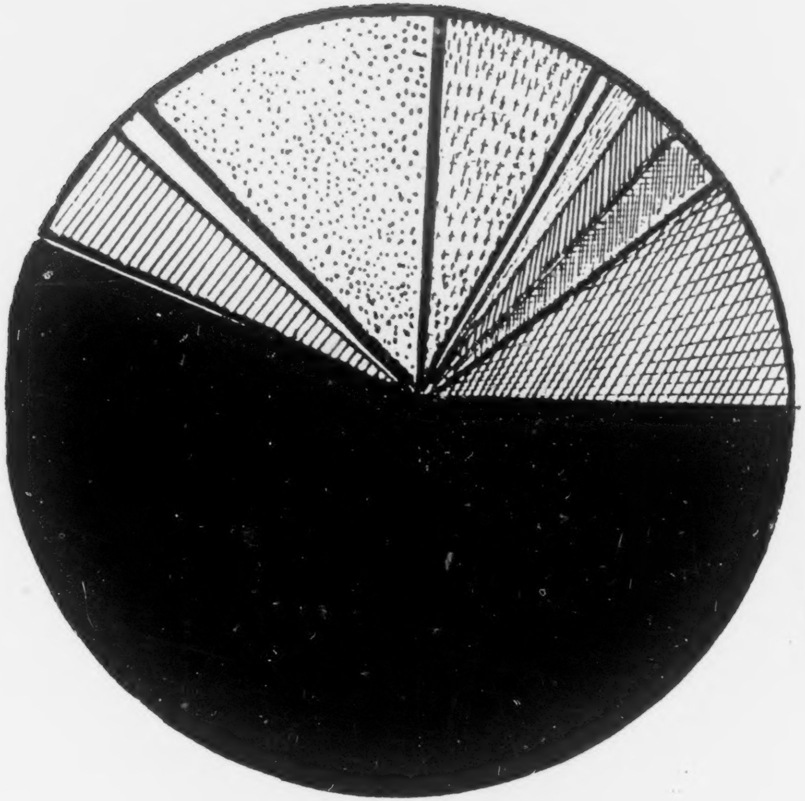
Los acápites C y D del mismo artículo prohiben revelar datos personales y familiares de un delincuente y de cualquier persona, sin su autorización, "cuando carezcan de auténtico interés social". Desde luego queda al arbitrio de la Dirección de Medios determinar qué cosa es de interés social y cual no lo es. De esta prohibición quedan exentos "las publicaciones y programas humorísticos". El pecado o delito consiste, pues, en la falta de humor.

En la parte II del mismo artículo 32 la defensa de la moral y del bienestar colectivo se lleva a extremas y sutiles prohibiciones como la de tratar "temas capaces de destruir la devoción al trabajo o al entusiasmo por el estudio", o que "estimulen la pasividad, la tendencia al ocio o la fe en el azar, como regulador de la conducta", o "que contengan elementos perjudiciales para la salud mental o física". Estas prohibiciones podrían abarcar, según el criterio de que dispongan los cerebros de la Dirección de Medios, desde la propaganda de las hamacas de Masaya que pueden ser un símbolo del ocio hasta la publicación de los Premios de la Lotería, que implican una tendencia a creer en el azar o buena suerte o la mención del estado alcohólico de un accidentado porque el alcohol es un elemento perjudicial para la salud mental y física.

En la parte III del artículo 32 citado entre otras prohibiciones que convierten a la Dirección de Medios en guía espiritual y Juez de conciencia de periodistas y escritores, destaca, por su carácter de complicidad en los malos manejos económicos del Gobierno, el acápite e) que prohibe publicar "noticias o comentarios que atenten o comprometan la economía del país o sus habitantes o tendientes al sabotaje de cualquier índole en la producción o distribución de los productos y servicios. De forma especial se prohibe especular sobre asuntos relacionados con la especulación de los precios de esos productos. Toda información en este sentido deberá contener el punto de vista del organismo correspondiente".

Esta disposición pone en manos de la Dirección de Medios la mordaza para evitar que se denuncie al públi-

GRAFICA DE CASOS REPORTADOS A CPDH EN 1983



▤	TORTURAS	109	6%
□	MUERTOS	15	1%
░	DESAPARECIDOS	209	12%
░	SINDICALES	99	6%
□	LIBERTAD DE EXPRESION	5	.29%
░	AMENAZA DE CAPTURA	37	3%
▧	POLITICOS	81	5%
░	RELIGIOSOS	23	2%
▨	LIBRES	180	11%
■	PRISIONEROS	989	57%

co no sólo la especulación de precios sino los malos manejos económicos del Gobierno, pues con el pretexto de que toda noticia al respecto "compromete la economía del país", el periodista se verá inhibido de informar, y mucho más de comentar esos malos manejos.

Finalmente en la parte IV del mismo artículo 32 se establecen prohibiciones tan generales que quedan abiertas a la libre interpretación de la Dirección de Medios, como la del acápite a) que se refiere a las publicaciones que "atenten contra el espíritu de fraternidad y solidaridad entre los pueblos"; la del acápite C) con relación a lo "que vaya en detrimento de la nacionalidad nicaragüense, su idioma y en general de los valores históricos y culturales"; la del acápite d) sobre irrespeto "los nombres palabras y hechos de héroes, los himnos patrióticos y lemas y en general todo legado de la lucha", lo cual conduce a la imposición de una versión oficial y partidista de la Historia y a la supresión de toda crítica histórica y política sobre determinados hechos y personas, con violación del derecho a la libre opinión y expresión del pensamiento; la del acápite e) que habla de "hacerse eco de los intereses del imperialismo" y de "reproducir las campañas propagandísticas que enemigos de la Revolución internos y externos promueven contra nuestro proceso", con lo cual se establece un riguroso dogmatismo histórico y político, se impide y condena arbitrariamente todo tipo de crítica, atentando así contra la libertad de pensar y de expresión del pensamiento; y por último la prohibición del acápite f) de toda "campaña tendiente a obtener del Gobierno la adopción en el campo internacional de cualquier tipo de pronunciamiento o medida que dificulte o ponga en peligro las relaciones diplomáticas", disposición ésta que mata la apelación a la opinión pública como forma de presionar al Gobierno, típica y fundamental del sistema democrático.

El arto. 34, último de la misma parte IV, está destinado a crearle a los funcionarios públicos una especie de intangibilidad a discreción de la Dirección de Medios, pues exige que toda noticia, crítica o comentario sobre sus actuaciones como tales funcionarios "deberá cimentarse en la prosecución de fines constructivos", frase de suprema vaguedad que en manos de la

..6.

Dirección de Medios puede servir para anular o impedir toda crítica. Es evidente que la crítica de los malos funcionarios ya tiene por sí misma un fin constructivo.

J.- El arto. 35 establece la responsabilidad solidaria de los dueños, directores y gerentes sobre todo lo publicado, reproducido o trasmitido en el respectivo medio de comunicación social, "aún de las trasmisiones en vivo". Esta disposición constituye una flagrante violación del principio de que la pena no trasciende de la persona del delincuente, y viola también el arto. 11 de la Declaración Universal y el arto. 8 de la Convención Americana en los que se establece la presunción de inocencia mientras no se establezca la culpabilidad de una persona. La disposición del arto. 35, por el contrario presume la culpabilidad de los directores, dueños y gerentes de la empresa aunque no hayan tenido participación ni conocimiento de la supuesta infracción o delito.

K.- El arto. 36 obliga a los medios informativos "a identificar plenamente todas las fuentes en que basa su información", ante la Dirección de Medios siendo facultad de ésta ordenar que las haga públicas.

El secreto profesional es la garantía de un periodismo libre tal como se da en los países auténticamente democráticos. La disposición del arto. 36 que acaba con el secreto profesional de los periodistas resulta así síntoma inequívoco de la anulación de la libertad de prensa.

L.- El arto. 45 establece la suspensión definitiva del medio de comunicación social para el caso de que "la violación de la presente ley fuere grave". Pero ni en este artículo ni en ningún otro se define en qué consiste la gravedad de la violación, de modo que esta calificación queda enteramente al criterio subjetivo de la Dirección de Medios. Esto constituye un "grave" vacío de la ley.

M.- El arto. 56 contiene una definición enrevesada de lo que llama "el método de la sana crítica" en la apreciación de la prueba.

.7

N.- Por último el arto. 63 establece un control de carácter económico en los medios de comunicación social por parte de la Dirección de Medios, control que es ajeno a los fines de la ley y a las funciones propias de dicha Dirección. Este control se refiere a constatar el tiraje de las publicaciones escritas y averiguar cómo cubren sus déficits las empresas propietarias de los diversos medios de comunicación social. Esta injerencia que pudiera tener algún sentido como atribución de los órganos fiscales del Estado, en manos de la Dirección de Medios se convierte en un arma al servicio de intereses más bien de carácter político.

En resumen se puede decir que el Anteproyecto de Ley de Medios de Comunicación Social preparado por el FSLN, no hace otra cosa que decretar el desarme de la opinión pública en beneficio de un Gobierno que se consagra como intocable, frente al cual no deja lugar al ejercicio del derecho a la libertad de opinión y de expresión que queda prácticamente disminuído y en muchos casos anulado.

Managua, 19 de Marzo de 1984.

CPDH - COMISION PERMANENTE DE DERECHOS HUMANOS DE NICARAGUA

APARTADO - 563 TELEFONO 26009 Managua, Nicaragua Enero, 1984

Caso Bernardino Larios

- ¿Qué se esconde detrás de su juicio?

- ¿Por qué se le considera uno de los reos más peligrosos?

EX-CORONEL BERNARDINO LARIOS MONTIEL

Capturan y acusan a Larios

ANTECEDENTES

El día 9 de Septiembre de 1980 fue capturado en su casa de habitación, en Villa Panamá, el Ing. Bernardino Larios Montiel, de 47 años, por miembros del Departamento General de Seguridad del Estado.

Bernardino Larios Montiel, quien fuera Ministro de Defensa del FSLN, fue acusado de una supuesta conspiración para asesinar a los nueve líderes de la Dirección Nacional del FSLN. En el supuesto complot se involucraba a varias personas, incluyendo ex-guardias nacionales y hombres de negocios (para devolver el poder a los Somoza y a la CIA).

Horas antes de su encarcelación, él había entregado una carta a "La Prensa", el periódico extraoficial e independiente. Era dirigida a Tomás Borge y deploraba la honda de represión causada, por lo que él sentía que eran deformaciones contrarrevolucionarias, para conseguir ventaja política. (Ver al final el texto de la Carta).

La acusación fue hecha por Tomás Borge, Ministro del Interior y cabeza de la Dirección Nacional, durante una conferencia de prensa el 11 de Septiembre de 1980. También estaba presente el prisionero Francisco Martínez, ex-guardia nacional en cuyo único testimonio se basan los cargos y quién es hasta el día de hoy el único "testigo" para la acusación. De acuerdo con Borge, Larios confesó inmediatamente. Sin embargo el Ex-Ministro de Defensa estaba ausente en la Conferencia de Prensa y lo mantuvieron confinado y sólo, las siguientes cinco semanas.

Los cargos en concreto fueron que Larios había tomado el mando de la organización contrarrevolucionaria FAD (Fuerzas Armadas Democráticas) cuando su cabeza Carlos José García se encontraba en prision.

Martínez afirmó que él mismo se encontraba involucrado con el FAD y que cuando la Seguridad del Estado lo arrestó decidió confesar todo.

El Ingeniero Larios Montiel había sido ex-coronel de la Guardia Nacional y había sido detenido el 27 de Septiembre de 1978 por la Oficina de Seguridad de Somoza acusado de preparar un golpe de estado contra el dictador. Durante su cautiverio en las cárceles somocistas, el Ing. Larios Montiel fue salvajemente golpeado; posteriormente fue enjuiciado por un tribunal militar en conjunto con otros tres oficiales de la G.N. En ese consejo de guerra el Ing. Larios Montiel fue dado de baja y liberado. Posteriormente se fue para Panamá, donde en Julio de 1979 aceptó incorporarse al nuevo gobierno como Ministro de Defensa, cargo que desempeñó hasta el mes de Diciembre de 1979, fecha en que fue destituido.

Carta de Larios

El texto de la carta abierta que el ex-coronel Bernardino Larios dirigió al comandante Tomás Borge, horas antes de ser arrestado, es el siguiente:

Managua
9 de septiembre de 1980

Don Tomás Borge M.
Ministro del Interior
Managua.

Señor Ministro:

Durante mucho tiempo he decidido ignorar la constante preocupación de algunos miembros de la Seguridad del Estado sobre las labores que ocupan mi tiempo, por considerar que el temor en el hombre trae como consecuencia la desconfianza hacia otros. Además acabamos de pasar una guerra y el nerviosismo derivado de la misma hacia parecer natural este proceder. A un año de la caída de Somoza, tales actitudes no pueden ser atribuidas a cosas de muchachos, a falta de experiencia o a errores de la vida cotidiana. Amigos míos entre militares y combatientes sandinistas, hechos prisioneros han coincidido en informarme sobre la insistencia de los elementos antes mencionados, por "curiosear" sobre mis actividades. Las investigaciones se agudizaron con motivo de la visita nada amistosa de sus subordinados a la residencia de mi amigo el Capitán ex-G.N. José Gonzalo Balladares R., a quien tuve que avisarle al exterior de que no regresara al país porque aquí sólo le podía esperar la cárcel, y puede estar seguro que el que acusara a Balladares de somocista o delincuente, es un solemne mentiroso (Balladares es el oficial que como muchos nicaragüenses, arriesgó su vida internándose a la montaña para colaborar en la lucha contra Somoza, ante mi imposibilidad de hacerlo por la estrecha vigilancia a que me tenía sometido la OSN, el mismo que yo, al ser nombrado provisoriamente por la Junta como encargado de Telcor, por su capacidad profesional como experto en comunicaciones y por la simpatía de que gozaba entre el personal de Telcor, encomendé la misión de normalizar las comunicaciones, lo que consiguió, y al que Ud., trasladó a Nicatelsat destituyéndolo finalmente de ese centro). Sin embargo a pedidos del mismo no le hice ningún reclamo por tan arbitrarias actitudes de parte de sus subordinados. Por último estas mismas personas se han dedicado a investigarme en las casas de mis amistades.

He promediado las preguntas y llegado a la conclusión de que las interrogantes son: a) mis posibles conexiones con la CIA, y b) la consideración de que si yo pude voltearmele a Somoza, también lo puedo hacer contra el gobierno actual.

No le daré ninguna explicación al respecto. Dejo que sus subordinados averiguen o inventen la causa que motiva su preocupación sobre mi persona, sin dejarse descubrir por mí. Sin embargo me veo obligado a hacer ciertas aclaraciones.

Después de que el pueblo, desesperado al extremo por Somoza, se unió en forma masiva para derribarlo, y considerando (exageremos los numeros), de que 1% de la población (unas veinte mil personas), simpatizaba o estaba del lado del tirano, me parece una solemne pérdida de tiempo, el preocuparse y perder sueño, por la posibilidad de que Somoza reasuma el poder en Nicaragua, o también el decir que se va a concientizar (concientizar para mí es convertir a alguien al comunismo. ¿Estoy errado?), a un pueblo que con una vergüenza patriótica, reacciona y derroca al tirano.

Además, me parece tonto andar con rodeos, en vez de afirmar, que el gran problema de Nicaragua en la actualidad se basa única y exclusivamente en una diferencia de ideología, entre los marxistas-leninistas, apoyados y liderados por miembros del FSLN por un lado y por el otro, el resto de nicaragüenses que no somos marxistas-leninistas (la mayoría de la población de Nicaragua).

Algunos jovenes que adoptan esa ideología sostienen que sólo siendo comunista se es revolucionario, además, como dijo un alto dignatario de mi Iglesia, un buen comunista sólo revela serio cuando está consolidado en el poder.

A nosotros se nos niega el carácter de revolucionarios y por eso estamos expuestos a ser llamados contrarrevolucionarios, reaccionarios, enemigos de los intereses del pueblo, etc. etc. En realidad no somos nada de eso; apenas somos personas que no pensamos como usted. Somos nicaragüenses que queremos a nuestra patria para nosotros y como usted, no deseamos el regreso de Somoza, más que para que pague por sus crímenes. Por eso le digo que sus verdaderos enemigos son las personas que mientras usted pregona su empeño por que se respeten los Derechos Humanos, conservan prisioneros por meses enteros a jóvenes que expusieron sus vidas por la liberación de su patria, sin revelar su paradero ni mucho menos respetar su derecho a defenderse.

Hay pruebas irrefutables de ello. También lamento la injusticia de algunos ingenuos, al decir que ustedes los ateos, están haciendo por nosotros, los cristianos, lo que nunca quisimos hacer por nosotros mismos, como que si los casi 40.000 nicaragüenses muertos en la guerra fueron todos ateos.

Usted sabe que yo no soy marxista-leninista y yo sé que usted sí lo es, y que mientras permanezca en el poder, tratará siempre y con todos los medios a su alcance de implantar el comunismo en nuestro país, sin embargo no lo censuro por eso porque lo considero coherente con su ideología.

Lo lamentable para nosotros es que su mentalidad sea diferente de la de la mayoría de los nicaragüenses, ya que para hacerla prevalecer es necesario dictar leyes restrictivas o violar las vigentes y créamelo; ¡La peor burla a un pueblo, es el irrespeto a sus leyes!

Yo parto del principio de que usted, siendo la autoridad superior en la seguridad del estado, tiene conocimiento de lo concerniente a ello, por eso es que en esta carta le expongo mi manera de ver las cosas que ocurren en nuestro tan sufrido país, y para que le de el uso que más le convenga.

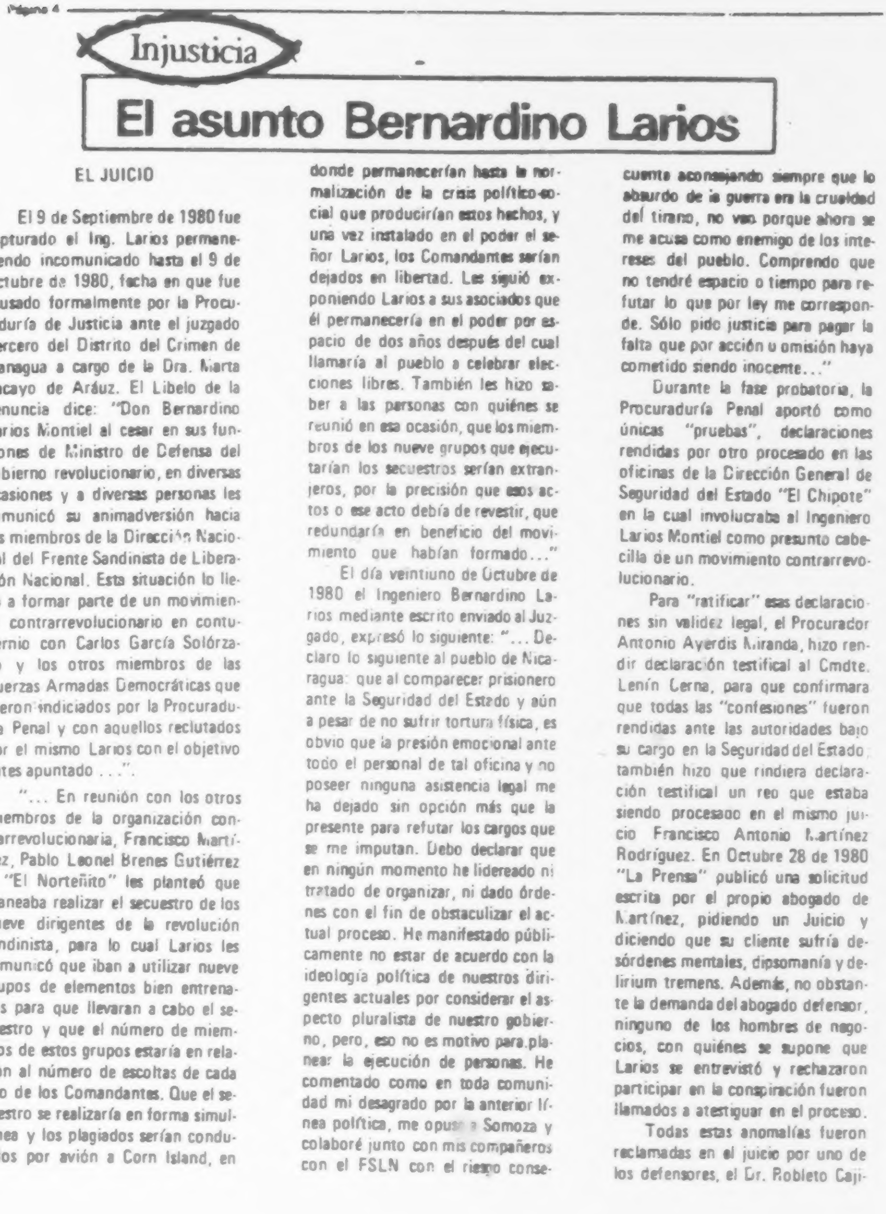
Atentamente,

BERNARDINO LARIOS MONTIEL

Borge hace grave acusación a Larios

El testigo del cargo, Francisco Antonio Martínez Rodríguez, declara ante el Comandante Tomás Borge, Ministro del Interior, Lenin Cerna, Jefe de la Dirección General de la Seguridad del Estado y Walter Ferreti, la Policía Sandinista.

(tomado de LA PRENSA, 12 de septiembre de 1980)



Injusticia

El asunto Bernardino Larios

EL JUICIO

El 9 de Septiembre de 1980 fue capturado el Ing. Larios permeneciendo incomunicado hasta el 9 de Octubre de 1980, fecha en que fue acusado formalmente por la Procuraduría de Justicia ante el juzgado Tercero del Distrito del Crimen de Managua a cargo de la Dra. Marta Lacayo de Aráuz. El Libelo de la denuncia dice: "Don Bernardino Larios Montiel al cesar en sus funciones de Ministro de Defensa del gobierno revolucionario, en diversas ocasiones y a diversas personas les comunicó su animadversión hacia los miembros de la Dirección Nacional del Frente Sandinista de Liberación Nacional. Esta situación lo llevó a formar parte de un movimiento contrarrevolucionario en contubernio con Carlos García Solórzano y los otros miembros de las Fuerzas Armadas Democráticas que fueron indiciados por la Procuraduría Penal y con aquellos reclutados por el mismo Larios con el objetivo antes apuntado . . .".

". . . En reunión con los otros miembros de la organización contrarrevolucionaria, Francisco Martínez, Pablo Leonel Brenes Gutiérrez y "El Norteñito" les planteó que planeaba realizar el secuestro de los nueve dirigentes de la revolución sandinista, para lo cual Larios les comunicó que iban a utilizar nueve grupos de elementos bien entrenados para que llevaran a cabo el secuestro y que el número de miembros de estos grupos estaría en relación al número de escoltas de cada uno de los Comandantes. Que el secuestro se realizaría en forma simultánea y los plagiados serían conducidos por avión a Corn Island, en donde permanecerían hasta la normalización de la crisis político-social que producirían estos hechos, y una vez instalado en el poder el señor Larios, los Comandantes serían dejados en libertad. Les siguió exponiendo Larios a sus asociados que él permanecería en el poder por espacio de dos años después del cual llamaría al pueblo a celebrar elecciones libres. También les hizo saber a las personas con quiénes se reunió en esa ocasión, que los miembros de los nueve grupos que ejecutarían los secuestros serían extranjeros, por la precisión que esos actos o ese acto debía de revestir, que redundaría en beneficio del movimiento que habían formado..."

El día veintiuno de Octubre de 1980 el Ingeniero Bernardino Larios mediante escrito enviado al Juzgado, expresó lo siguiente: "... Declaro lo siguiente al pueblo de Nicaragua: que al comparecer prisionero ante la Seguridad del Estado y aún a pesar de no sufrir tortura física, es obvio que la presión emocional ante todo el personal de tal oficina y no poseer ninguna asistencia legal me ha dejado sin opción más que la presente para refutar los cargos que se me imputan. Debo declarar que en ningún momento he lidereado ni tratado de organizar, ni dado órdenes con el fin de obstaculizar el actual proceso. He manifestado públicamente no estar de acuerdo con la ideología política de nuestros dirigentes actuales por considerar el aspecto pluralista de nuestro gobierno, pero, eso no es motivo para planear la ejecución de personas. He comentado como en toda comunidad mi desagrado por la anterior línea política, me opuse a Somoza y colaboré junto con mis compañeros con el FSLN con el riesgo consecuente aconsejando siempre que lo absurdo de la guerra era la crueldad del tirano, no veo porque ahora se me acusa como enemigo de los intereses del pueblo. Comprendo que no tendré espacio o tiempo para refutar lo que por ley me corresponde. Sólo pido justicia para pagar la falta que por acción u omisión haya cometido siendo inocente..."

Durante la fase probatoria, la Procuraduría Penal aportó como únicas "pruebas", declaraciones rendidas por otro procesado en las oficinas de la Dirección General de Seguridad del Estado "El Chipote" en la cual involucraba al Ingeniero Larios Montiel como presunto cabecilla de un movimiento contrarrevolucionario.

Para "ratificar" esas declaraciones sin validez legal, el Procurador Antonio Ayerdis Miranda, hizo rendir declaración testifical al Cmdte. Lenín Cerna, para que confirmara que todas las "confesiones" fueron rendidas ante las autoridades bajo su cargo en la Seguridad del Estado; también hizo que rindiera declaración testifical un reo que estaba siendo procesado en el mismo juicio Francisco Antonio Martínez Rodríguez. En Octubre 28 de 1980 "La Prensa" publicó una solicitud escrita por el propio abogado de Martínez, pidiendo un Juicio y diciendo que su cliente sufría desórdenes mentales, dipsomanía y delirium tremens. Además, no obstante la demanda del abogado defensor, ninguno de los hombres de negocios, con quiénes se supone que Larios se entrevistó y rechazaron participar en la conspiración fueron llamados a atestiguar en el proceso.

Todas estas anomalías fueron reclamadas en el juicio por uno de los defensores, el Dr. Robleto Cajina, quién expuso en su libelo la falta de legalidad de las supuestas confesiones, al tenor del Arto. 253 del Código de Instrucción Criminal, que dice que la confesión solo hace prueba cuando es libre y espontánea y hecha por alguno en presencia del Juez o funcionario de instrucción y ante el respectivo secretario y hace plena prueba contra él y es por sí sola bastante para condenar siempre que por otra parte esté suficientemente comprobado el cuerpo del delito o falta.

Las supuestas pruebas acogidas por la juez para condenar a los reos, no tenían valor legal ni aún con la "declaración testifical" de la autoridad máxima de la Seguridad del Estado, ratificando sus "declaraciones".

Dictaminan sobre testigo de cargo

Forense dictaminará si Martínez amerita examen siquiátrico

(LA PRENSA.
28 de octubre, 1980)

La Juez Tercero de Distrito del Crimen de Managua. Dra Marta Lacayo mediante auto correspondiente al lunes 27 de los corrientes, ordenó que el reo Francisco Antonio Martinez Rodriguez testigo de cargo contra Bernardino Larios, fuera examinado por el Medico Forense Edmundo del Carmen

De acuerdo con declaraciones de la mencionada judicial, el Dr del Carmen, debera emitir su diagnostico medico-legal, indicando si en realidad, el reo amerita el examen psiquiatrico o no

El examen del reo Francisco Antonio Martinez Rodriguez, fue solicitado por su abogado defensor el Dr Diógenes Martinez, quien manifestó que su defendido padecia de desequilibrios mentales, era dipsómano y sufria continuamente crisis de "deliriums tremens".

EL FALLO LO DARA EL MIERCOLES

Por otro lado la Dra. Marta Lacayo apunto que el fallo sobre los reos Bernardino Larios, Francisco Antonio Martinez Rodriguez, Socorro Isabel Arguello Adriana Obando Treminio, José Roberto Larios Lopez y otros estaria listo el 29 de la semana en curso, cuando vencia el término de ley para inquirir y resolver.

Por otro lado manifestó que los testigos de la Empresa Privada, Ingeniero Jorge Salazar, Presidente de la Union de Productores Agropecuarios, el Ingeniero Frank Bendaña, Presidente de la Union de Caficultores de Nicaragua y el Secretario Ejecutivo del COSEP, Carlos Gabuardi, no habian comparecido, y que se habia informado que estaban fuera de Managua.

Estos testigos fueron mencionados en el escrito del Procurador Penal, Dr. Antonio Ayerdis, debido a que presumiblemente Larios se habia reunido con ellos para presentarles el supuesto plan, el cual no aceptaron.

Los testigos los solicitó el Dr Roger Robleto, defensor de Socorro Isabel Arguello Martinez y Adriana Obando Treminio, supuestas colaboradoras de las Fuerzas Armadas Democraticas (FAD)

Larios condenado a cinco años de prisión

LA CONDENA

Con todo eso, la Señora Juez encontró culpable a Bernardino Larios de atentar contra la Ley sobre el Mantenimiento del Orden Público y lo condenó a cinco años de prisión por haber infringido el inco. a) del Arto. 1, que dice: "Serán penados con prisión de 3 a 10 años las personas, grupos o bandas armadas del somocismo que se negaren a acatar el alto al fuego, o que persistieren en la reinstauración del mencionado régimen"; y a dos años por violación al inco. d) del Arto. 1, que dice: "El que intentare deponer alguna o algunas de las autoridades locales o impedir que tomen posesión del destino los legitimamente nombrados o elegidos. . ." Dice la sentencia de la Señora Juez Tercero del Distrito del Crimen: "Considerando Tercero: Que en relación al señor BERNARDINO LARIOS MONTIEL, aún cuando tenía un precedente como lo es el del FRUSTRADO GOLPE DE ESTADO, fraguado en contra del Titular Ejecutivo del régimen anterior, el Frente Sandinista de Liberación Nacional por la generosidad que le caracteriza le dió la oportunidad de integrarse al nuevo orden social nombrándole como Titular del Ministerio de Defensa, función que requiere de una gran confianza en la persona del titular por la naturaleza de la función que involucra la Defensa Integral de la Nación y de sus respectivas instituciones. El señor LARIOS al concluir el término de su nombramiento por la reorganización de un Movimiento Contrarrevolucionario intrínsecamente relacionado con el Movimiento denominado FAD dirigido por CARLOS JOSE GARCIA SOLORZANO. Esta conducta no debe causar extrañeza ya que en tiempos de la dictadura somocista planeó ejecutar un complot en contra del Presidente de la República y Jefe de las Fuerzas Armadas, motivo por el cual fue sometido al conocimiento de un Consejo de Guerra que recomendó darle de baja deshonrosa en su carrera militar, aún cuando ostentaba el cargo de Coronel, rango al cual se llegaba en aquella seudo institución mediante actividades reñidas con la moral y ejecutadas en contra del pueblo. Es por eso que los hechos denunciados adquieren relevancia y es verosimil la realización de los mismos, pues nos encontramos en presencia de una conducta reincidente del mismo y por los mismos hechos, atentar contra Miembros del Gobierno legalmente constituidos. Esta circunstancia lleva a la convicción de esta autoridad que el señor LARIOS MONTIEL era capaz de realizar los actos denunciados por la Procuraduría Penal.

Con las pruebas aportadas a los autos se ha demostrado que el señor LARIOS cometió los delitos tipificados en los incos. a) y d) del Arto. 1 del Decreto Número Cinco, por lo tanto se le debe sancionar con la pena que al efecto le corresponde. Con las mismas pruebas se ha demostrado que existe entre el Movimiento jefeado por LARIOS y el dirigido por CARLOS JOSE GARCIA SOLORZANO denominado FAD, una estrecha relación pudiéndose establecer que las dos organizaciones son parte de un Movimiento Contrarrevolucionarios mayor".

Apelación a favor de Larios

Ese considerando es el único argumento que tuvo la Juez a mano para condenar al Ing. Larios Montiel, por lo que su abogado defensor apeló de esa sentencia y en especial de ese considerando ante la Sala de lo Criminal de la Corte de Apelaciones de Masaya. Dice el texto de la apelación: "La Ley prohibe el abrir juicios fenecidos, y como corolario, es improcedente y anti-ético formar criterios pasados para basarse en una sentencia de lo penal presente. Pareciera, en efecto que el Juzgado ya mencionado, no esté a tono con los problemas y cuestiones penales contemporáneos, ya que todo Nicaragua, se dió cuenta que a mi defendido se le incoó un supuesto proceso militar con un código militar que jamás fue ley de la República, ya que nunca fue promulgado y que precedía de una traducción pésima de algún código militar norteamericano. Por otro lado la inconstitucionalidad de dicho proceso, fue hartamente del conocimiento público, así como que las pruebas conseguidas fueron netamente "de oidas" y JAMAS PRESENCIALES, los testigos llevados a la causa eran fundamentalmente parciales y tenían marcado interés en la condena de mi defendido. Por otro lado, entiendo que la señora Juez tiene en su poder todas las diligencias incoadas en ese entonces contra mi defendido, para poder afirmar, también en forma segura como lo está haciendo y de que mi defendido cometió un delito en grado de frustración. Pero en derecho penal jamás ha existido el Delito de Golpe de Estado, ni mucho menos el delito de FRUSTRACION DE GOLPE DE ESTADO, a menos que la Señora Juez ya mencionada, tenga en su poder un código militar del régimen anterior verdaderamente especial. Pero en buena lógica, lo que al Juzgado "a quo", en este caso ha cometido es un flagrante delito de Injurias y Calumnias en contra de mis defendidos, con muchas dosis de publicidad.

La Señora Juez, afirma en este considerando que: "EL SEÑOR LARIOS AL CONCLUIR EL TERMINO DE SU NOMBRAMIENTO, SE DEDICA A ATACAR AL GOBIERNO REVOLUCIONARIO MEDIANTE LA ORGANIZACION DE UN MOVIMIENTO CONTRARREVOLUCIONARIO", veo en esta conducta una verdadera conducta omisiva, ya que se le pudiera preguntar que PORQUE ELLA SE ES TAN FERVORIZANTE DEL PARTIDO POLITICO EN EL PODER, PORQUE NO ENJUICIO A MI DEFENDIDO EN SU MOMENTO OPORTUNO POR ATACAR AL PARTIDO DE SU SIMPATIA".

Habiendo apelado de esta sentencia el Procurador Penal, el Abogado defensor del Ing. Larios contestó los supuestos agravios: "No me explico como es posible de que el señor Representante de la Procuraduría Penal del Departamento de Masaya, doctor Luis Raudez Madriz, esté pidiendo para mí defendido Ing. Berr[illegible]lino Larios Montiel, la condena o que se le imponga una condena más alta, ue la que aplicó el Juez de primera insta[illegible], pues no es posible, que un representante del Ministerio de Justicia, sin base legal alguna haga semejante solicitud y sobretodo en un juicio tan vergonzoso, como el presente, que se condena a una persona inocente, sin tener pruebas y como es posible de que se estén basando en sólo una declaración de un reo contra otro reo, si la misma ley penal es clara y dice que: "La declaración de un reo contra otro reo no hace mérito de prueba". Pues yo reto públicamente al señor Procurador Penal, a que me demuestre en qué página, en que folio, se encuentran las benditas pruebas en que se fundó la señora Juez de primera instancia, para imponer su sentencia condenatoria y en la que el Procurador todavía no está conforme porque está solicitando la imposición de penas más severas en contra de mi defendido Ing. Bernardino Larios Montiel, a pesar de que no existe mérito en autos de ninguna clase que justifique en forma alguna la monstruosa sentencia dictada por la Señora Juez Tercero de Distrito del Crimen de Managua, y dice el señor Procurador de Masaya en su punto primero de su escrito de expresión de agravios, refiriéndose al Ing. Bernardino Larios, de que éste se alzó contra Anastasio Somoza Debayle, hecho que demuestra la peligrosidad del señor Larios, quién sólo persigue fines personales que le brinden beneficio como sería el ascenso al poder, no importando los medios para llegar a obtener sus propósitos. Sus peligrosidad se acentúa más al valorar los actos que realizó contra el último de los Somoza que detentaba el poder, actuación juzgada como legítima por la forma en que aquéllos habían llegado al poder.

Señor Procurador el acto realizado por el Ing. Bernardino Larios, es un acto del más acrecentado patriotismo, que habla muy en alto de mi defendido, pues no se debiera poner en tela de duda, de que al rebelarse contra las actuaciones del régimen somocista, hizo tambalearse las estructuras de la extinta Guardia Nacional, pues es penoso de que el Procurador, trate de empeñar con falsas premisas y sofismas mal elaboradas y peor presentando la gesta patriótica pocas veces igualadas durante el régimen somocista, por parte del Ing. Larios, quién jamás se escondió en la sombra de la clandestinidad, ni puso de pantalla a ningún otro ciudadano, cuando se decidió derrocar al extinto dictador Somoza; tratar de minimizar esta actitud, este acto de hombría y de honradez moral, es actuar de mala fe y no dar el crédito suficiente y necesario y sobre todo justo que le corresponde a Bernardino Larios".

El día 25 de Junio de 1981 —ocho meses después de la sentencia de primera instancia— la Corte de Apelaciones decidió confirmar la sentencia en todas sus partes.

Corte Suprema declara nulo el proceso

En virtud de esa sentencia sus abogados defensores decidieron interponer Recurso de Casación ante la Corte Suprema de Justicia, (donde el caso estuvo desde el 6 de Octubre de 1981 hasta el 23 de Noviembre de 1983, o sea dos años y un mes), quien decidió sobreseer definitivamente a Larios y a los otros procesados en relación al delito contenido en el Arto. 1 inco. a) por el cual se le había condenado a CINCO AÑOS, y declaró nulo el proceso desde la sentencia que dictó la Juez de Primera Instancia. "... Debiendo aquel Juez completar el proceso conforme lo considerado llenando también los vacíos y omisiones que estime a bien para la averiguación de la verdad o delitos que resultare...".

Hay varias interrogantes

A estas alturas, Bernardino Larios Montiel, tiene más de tres años de estar en la cárcel y quedan planteados muchos interrogantes

1. *Si la Corte Suprema de Justicia pudo resolver en parte la sentencia al declarar el sobreseimiento de éste en relación a uno de los supuestos delitos (el más grave) por qué no lo hizo en relación al delito menor (dos años)?*
2. *La Corte Suprema admite los vacíos y omisiones en el proceso y la nulidad de la sentencia. Por qué resolviendo el delito más grave no entró a considerar la posibilidad de darle la libertad a Larios, puesto que la pena por el otro delito, por el que había sido condenado –2 años de prisión– ya está sobre cumplida?*
3. *Quienes se esconden detras de este proceso? Por qué existe tanto temor en dar la libertad a un reo, a quién no le ha sido probada su supuesta culpabilidad?*
4. *Por qué Bernardino Larios fue destinado a la Carcel Modelo, a la Galeria 3, considerándolo como uno de los reos más peligrosos, cuando su condena inicial fue de 7 años y a ese centro penitenciario se envían a los que cumplen condenas mayores de 10 años?*
5. *Por qué los recursos judiciales se han tramitado de una forma tan lenta? Si acaso el nuevo juez decidiera confirmar la condena impuesta a Larios o exonerarlo, no se habría mantenido injustamente en la cárcel a un inocente? Justicia tardía no es justicia!*

Bernardino Larios ha estado prácticamente incomunicado durante el año 1983. Tiene padecimiento en la columna acompañado de fuertes dolores lumbares, tiene hongos en la piel y parece tener síntomas de tuberculosis. Las autoridades del Sistema Penitenciario Nacional se niegan a que lo vea un médico privado, o a que lo examinen en un hospital fuera de la cárcel. Existen informes veraces de que ha sido golpeado en diversas ocasiones por sus custodios de la Cárcel Modelo, una de ellas cuando se fugaron varios reos en 1982. No tiene acceso a libros, revistas, ni periódicos. No se le puede entregar medicamentos personalmente y el tipo y cantidad de alimentación está restringida. Desde los sucesos del 9 de Octubre de 1983 —supuesta fuga y tiroteo en la cárcel—, nadie lo ha podido ver, con excepción de funcionarios y organismos gubernamentales. Larios desde su ingreso a la cárcel ha perdido 40 libras de peso.

Conclusiones

El tratamiento que se le da es humillante y su antiguo rango de Coronel le provoca mayores vejaciones de parte de sus captores.

Este caso ha sido planteado ante los organismos internacionales humanitarios. El 6 de Octubre de 1980 la Comisión Interamericana de Derechos Humanos de la OEA, a través de su Presidente Tom Farrer, visitó a Larios en prisión. La CIDH hizo varias recomendaciones a los sandinistas que no aceptaron.

A fin de evitar que una persona inocente tenga un fin trágico en la cárcel como consecuencia del tratamiento carcelario y las enfermedades que son provocadas por la reclusión, apelamos a aquellos que tienen en sus manos el destino de Bernardino Larios, para que impartan verdadera justicia y no se hagan, eco de venganzas personales ni políticas.

En vista de los hechos de este caso, las siguientes conclusiones parecen inescapables.

1. Larios no tuvo un juicio justo.
2. La evidencia en su contra, fue basada exclusivamente en el Testimonio de un individuo alterado mentalmente.
3. Los argumentos presentados por el acusador carecen de lógica y consistencia interna.
4. La sentencia fue injusta.
5. La Corte Suprema ha tratado de anular la sentencia condenatoria en parte sin solucionar realmente el problema estructural: la inocencia o culpabilidad de Larios.
6. De persistir la lentitud en el juicio de Larios éste cumplirá los 7 años de prisión a que fue condenado inicialmente, mientras se revisa el expediente judicialmente.
7. De persistir las condiciones denigrantes en que se encuentra Larios, puede sobrevenir un desenlace fatal que le provocará la muerte.

ATTACHMENT B

CASH FLOW PROJECTION

PRODEMCA
NICARAGUAN CENTER FOR DEMOCRATIC STUDIES AND
PERMANENT HUMAN RIGHTS COMMISSION

JULY 1985	$ 16,666
AUGUST 1985	16,666
SEPTEMBER 1985	16,666
OCTOBER 1985	16,666
NOVEMBER 1985	16,666
DECEMBER 1985	16,666
JANUARY 1986	16,666
FEBRUARY 1986	16,666
MARCH 1986	16,666
APRIL 1986	16,666
MAY 1986	16,666
JUNE 1986	16,674
GRAND TOTAL	$200,000

LA PRENSA

At its January 27th meeting, the Board approved a $100,000 grant to PRODEMCA to provide the Nicaraguan newspaper La Prensa with supplies vital to its continued publication.

Shortly after that meeting, La Prensa informed the Endowment that it had an immediate need for a large shipment of supplies. It also indicated that it would prefer that in the future Americares serve as the U.S. organization administering its grant from NED.

Attempting to comply with La Prensa's wishes, the Endowment signed a grant agreement with PRODEMCA for $51,500 to make possible the immediate shipment of the needed supplies. The staff now requests Board approval for making Americares the U.S. grantee for the remaining $48,500 of the amount originally approved for La Prensa. Americares will administer the grant at no cost.

Americares is a volunteer, nonprofit foundation based in New Canaan, Connecticut which is devoted to "providing an immediate and effective response to humanitarian needs. . . ." As a result of NED encouragement, Americares has during the past year helped supply La Prensa with newsprint donated by the U.S. pulp and paper industry.

Concerning grants to groups in France:

1. What information was provided to the Endowment board regarding L'Union Nationale Inter-Universitaire (UNI) prior to its approval of the Free Trade Union Institute grant through which UNI received funds? Was UNI named or merely described in a general way? Was the board informed of its connection with Service d'Action Civique (SAC) or of the fact that it had been cited in a French parliamentary inquiry into terrorist activities? Was the board informed, prior to approval, of the amount that UNI would receive?

The Free Trade Union Institute proposal of June 8, 198 contained its first request for funds to support the Union Nationale Inter-Universitaire (UNI). This proposal set forth FTUI's world-wide program for its first year of Endowment funding and was organized under the general purposes contained in the Endowment's authorizing legislation and articles of incorporation. FTUI program budgets were organized regionally.

FTUI's proposal to the NED Board described UNI as "an inter-university national union of professors and students which promotes democratic views in the French university system." FTUI also noted that UNI activities, which it would support, included a publications program stressing democratic values. The Endowment reported on this grant in its 1984 Annual Report to the President and the Congress, stating that FTUI had supported "a series of seminars, and the publication of posters, books and pamphlets..." and that funding was also used "for essential staffing and office costs."

Concerning UNI's connection to Service d'Action Civiqu (SAC), it is important to reiterate that this is an *allegation* that has been made. And, in fact, it has been denied by Jacque Rougeot, president of UNI. The Endowment's inquiry will, of course, examine the integrity of UNI's democratic credentials, including the issue of its alleged ties to the now defunct SAC.

2. What are the results of the Endowment's inquiry into the French grants? Has the Endowment conducted an independent inquiry or relied on the Free Trade Union Institute's evaluation of its own activities?

In late November 1985, when the controversy arose over the Free Trade Union Institute's (FTUI) support for the Union Nationale Inter-Universitaire (UNI), the Endowment suspended that grant pending clarification of the issues raised concerning UNI's character and associations. As the first step in the Endowment's investigation, it requested that FTUI submit a report on the program. At the same time, the Endowment began its independent inquiry and this review is currently underway. In fact, the NED Director of Program will be having meetings in France in the next week. Of course, the Endowment's grant to FTUI for assistance to UNI has continued to be suspended throughout this process.

3. Would the Endowment provide the subcommittee with copies of all grant agreements, financial reports, program evaluations, transcripts, and other documents relating to programs or activities funded by the Endowment in France?

Attached are copies of Free Trade Union Institute proposals for activities in France, copies of program and financial reports on these programs, a recent status report which FTUI prepared on all its on-going programs, documents relating to the UNI controversy and Endowment reports which refer to FTUI-supported programs in France. The Free Trade Union Institute's programs in France are the only ones currentl funded by the Endowment in that country.

REQUEST FOR FUNDS

FOR

THE FREE TRADE UNION INSTITUTE

FROM

THE NATIONAL ENDOWMENT FOR DEMOCRACY

APRIL 3, 1984

miscellaneous projects will be handled directly by FTUI in cooperation with the AFL-CIO's International Affairs Department. This would also be true of programs relating to non-democratic Europe. Activities with unions in Africa, Latin America or Asia would most likely be turned over by FTUI to the AFL-CIO's existing institutes for those regions. FTUI will act as the central coordinating recipient of all Endowment funds for these labor and labor-related programs.

1. Europe (direct administration by the Free Trade Union Institute)

Among FTUI's concerns are the well-being of a number of friendly trade unions in Europe which face unique and difficult circumstances, mostly due to competition from communist-dominated unions. Another is European-based research related to human and trade union rights. Among American labor's greatest friends, for example, is the CGT-Force Ouvriere (FO), the democratic labor movement in France with which the AFL-CIO has had a long-standing relationship since FO's creation shortly after World War II. Its chief rival is the communist-led Confederation Generale du Travail (CGT).

In Portugal, the AFL-CIO maintains close ties with the General Union of Workers (UGT) which similarly is in competition with the communist-dominated labor organization, the Intersindical (CGT-the CGT of Portugal).

In Spain, the Solidarity of Basque Workers (ELA-STV), a regionally based labor movement in one of the most important industrial regions of the country, is a democratic trade union movement which maintains separate affiliation with the ICFTU and national unions like the AFL-CIO.

The AFL-CIO is also interested in supporting a number of European-based organizations more indirectly concerned with trade union freedoms. Among them are: an organization of professors and students promoting democratic efforts in the French university system; the Institute pour les Droits de l'Homme, a Paris-based organization of labor leaders, intellectuals and academics concerned with exposing violations of human and trade union rights in East bloc countries; the Institut Sino-Sovietique, another research organization located in Paris, devoted to examining social and economic developments in the Soviet Union and China; OUE ME, a similar Vietnamese, labor-social research group also located in France; a London-based publication, "Soviet Labour Review," which reviews Soviet socio-economic and political conditions affecting its workforce; an office located in Brussels, Belgium which, using direct ties to leaders inside the country, supports the continuing efforts of Poland's Solidarnosc to build free and independent unions in that country; a Czech publication of articles and studies which discusses Czech labor and political affairs, using information ties to those inside Czechoslovakia; and the Institut de l'Histoire Sociale, an exemplary documentation center dealing with labor and communist studies.

These organizations, and others like them, are making a considerable contribution to the furtherance of democratic trade unionism in Europe and to an understanding of conditions influencing worker attitudes in totalitarian countries. FTUI-sponsored programs in France, Portugal, Spain, the United Kingdom and Belgium, including those requiring Polish and Czech ties, fall into education, research and institution-building categories consistent with the purposes of the National Endowment for Democracy Act.

2. Latin America (administration for FTUI by the American Institute for Free Labor Development)

The conditions of free trade union organizations and their influence vary widely throughout Latin America and the Caribbean. They are harshly suppressed in countries like Nicaragua, Chile and Paraguay. They are relatively free in countries like Venezuela, Colombia, Costa Rica and Honduras. Some countries like Brazil, Peru and Argentina are in transition. A trade union program for unions in these diverse circumstances must cover great range and scope.

Among the democratic unions needing the most help are those persecuted in Nicaragua and Chile and those emerging from a condition of subservience in Brazil.

Attachment A

REQUEST FOR FUNDS

FOR

THE FREE TRADE UNION INSTITUTE

FROM

THE NATIONAL ENDOWMENT FOR DEMOCRACY

REVISED AND AMPLIFIED

JUNE 8, 1984

(2-SIDED COPY)

Description

Among those who will receive basic institution-building support are a number of friendly trade unions in Europe which face unique and difficult circumstances, mostly due to competition from communist-dominated unions. One of American labor's greatest friends, for example, is the CGT-Force Ouvriere (FO), the democratic labor movement in France with which the AFL-CIO has had a long-standing relationship since FO's creation shortly after World War II. Its chief rival is the communist-led Confederation Generale du Travail (CGT). In Portugal, the AFL-CIO maintains close ties with the General Union of Workers (UGT) which similarly is organizing competition with the communist-dominated labor organization, the Intersindical (CGT-the CGT of Portugal).

In Spain, the Solidarity of Basque Workers (ELA-STV), a regionally-based labor movement in one of the most important industrial regions of the country, is a democratic trade union movement which maintains separate affiliation with the ICFTU and national unions like the AFL-CIO. It needs help with basic office equipment.

The AFL-CIO is also interested in supporting a number of European-based research organizations and publications more indirectly concerned with trade union freedoms. Among them are an inter-university national union of professors and students which promotes democratic views in the French university system. It publishes pamphlets on a number of subjects which defend Western values and interests, and has plans for expanding activities using a variety of consultants from abroad. The Institut pour les

Droits de l'Homme, also in need of support, is a Paris-based organization of labor leaders, intellectuals and academics concerned with exposing violations of human and trade union rights in East Bloc countries. Others include the Institut Sino-Sovietique, another research organization located in Paris, devoted to examining social and economic developments in the Soviet Union and China; QUE ME, a similar Vietnamese, labor-social research publication and official organ of the Association of Vietnamese Overseas, also located in France; and a London-based publication, "Soviet Labour Review," which reviews Soviet socio-economic and political conditions affecting its work force. The latter is disseminated to a select list of subscribers throughout the world. Assistance is also needed by an office located in Brussels, Belgium which, using direct ties to leaders inside the country, supports the continuing efforts of Poland's Solidarnosc to build free and independent unions in that country. A second office located in New York City supports a broader range of social and cultural groups seeking democracy in Poland. Other projects include a Czech publication of articles and studies which discuss Czech labor and political affairs, using information ties to those inside Czechoslovakia; and the Institut de l'Histoire Sociale, an exemplary documentation center dealing with labor and communist studies.

These organizations, and others like them, are making a considerable contribution to the furtherance of democratic trade unionism in Europe and to an understanding of conditions influencing worker attitudes in totalitarian countries. FTUI-sponsored programs in France, Portugal, Spain, the United Kingdom and Belgium, including those requiring Polish and Czech ties, fall into democratic pluralism, education and institution-building categories consistent with the purposes of the National Endowment for Democracy Act. In evaluating their success FTUI will review publications and other materials disseminated, and seek information on the organizational gains made (membership growth, elections, etc.). Sensitive activities in East Bloc countries may not be evaluated publically.

2. Support for Institution-Building, Education and Training, Electoral Process Development and the Promotion of Democratic Pluralism in Latin America (administration for FTUI by the American Institute for Free Labor Development)

Program/Endowment Purposes

* Basic institution-building support to democratic trade unions and to international trade secretariats.

* Support for the development of trade union participation in electoral activities, including civic education, training, the development of materials, election organization, campaigning, get-out-the-vote efforts and election observation.

* Enhancement of democratic pluralism through the support of trade union exiles and their families; the publication of pro-democratic educational materials; support for coalitions of private organizations discussing and promoting democratic strategies; support for efforts publicizing violations of trade union rights; and support for labor education.

* Exchange programs having a special emphasis on civic education.

REQUEST FOR FUNDS FOR THE FREE TRADE UNION INSTITUTE

FROM

THE NATIONAL ENDOWMENT FOR DEMOCRACY

SEPTEMBER 14, 1984

- **Assistance in promoting democratic pluralism** through research and publication efforts that will assist trade union leadership in knowing more about the enemies of free trade unionism and their methods of operation.

Background

The growing strength of a number of Southern European trade unions, particularly in Spain and Portugal in helping to stabilize the democracies these countries have only recently restored. The Portuguese UGT, for example, is a central confederation that is solidifying a strong base among democratic Portuguese trade unionists despite strong competition from the communist dominated Intersindical. In addition to its new found strength as a voice on domestic issues, the UGT has recently taken to hosting international discussions on such thorny topics as the political future of Central America. The UGT needs basic institution-building support.

In Spain, one of the best union organizations is found in the Basque country. The ELA serves as an exemplary model for other Spanish trade unions, at least in part because of its relatively more sophisticated pragmatism on organizational matters. Among its ongoing efforts, already supported by the Free Trade Union Institute, is a comprehensive internal education and training program. Funding proposed here would continue these efforts and also provide some equipment needed to backstop them.

Unions throughout Europe benefit greatly from sophisticated knowledge about efforts to undercut them. One institution able to provide in-depth analysis of the enemies of free unionism is the Institut Histoire Sociale, a Paris-based research operation which services not only the democratic French trade union movement, but the international free labor movement as well. In a country like France where the Communist-dominated CGT has been in an ongoing battle with the democratic Force Ouvriere ever since shortly after World War II, such services are particularly important and deserve FTUI support. Another, similar effort, also located in France, is Que Me, the official organ of the Association of Vietnamese Overseas which has a publication designed to disseminate information on the suppression of trade union and other rights in Vietnam.

While exchanges have not been a big part of the Free Trade Union Institute agenda, one involving American and British unionists in the entertainment field could help establish an international dialogue on problems in a sector where cross-national understanding is lacking. No arena now exists for such discussions and eventually representatives from a broader selection of countries might be included.

Description

Within the last few years the Portuguese UGT, the most important democratic trade union central in the country, has put together a serious organizing and training effort aimed at reaching members in 15 sectoral subdivisions organized by trade. It is also in the process of expanding its legal capability. As a relatively new trade union central, since the time Portugal returned to democracy the UGT has made great strides in organizational development and needs assistance to maintain this momentum.

The Spanish Basque provincial trade union, the ELA, is making a new institution-building effort that combines the purchase of basic organizational equipment with an extensive internal education program. Among the topics being addressed by the ELA are political economy, productivity, labor market issues industrial policy, oral and written communication for labor leaders, and union organization. Complementing the new training program, the ELA is at work developing a series of publications on such topics as "industrial reconversion,", "collective negotiations," "basic law affecting free unions," etc. Because the ELA is a leader among Spanish trade unions, the Free Trade Union Institute believes that the programs it develops may serve as models for other democratic trade unions in Spain.

One special European-oriented exchange effort the Free Trade Union Institute is interested in supporting would allow for American and British union leaders in the entertainment industry to begin an exchange. A first meeting in the United States, for example, would concentrate on substantive issues having to do with laws affecting entry of entertainers and entertainment programs into each country, domestic laws affecting entertainment, etc. FTUI wuld not fund the entire exchange effort, but would make a significant contribution. American, British and other international union leaders in the entertainment field now have no organizational framework to encourage such dialogue and an exchange of this kind might begin to fill that gap.

ATTACHMENT A1

REQUEST FOR FUNDS

FOR

THE FREE TRADE UNION INSTITUTE

FROM

THE NATIONAL ENDOWMENT FOR DEMOCRACY

NOVEMBER 21, 1984

1. Europe--administration by FTUI

Programs needing FY '85 funds fall into four of the six Endowment purpose areas as follows:

- Institution-building support to democratic trade unions and to international trade secretariats.
- Support for exchange efforts tied to long-range institution-building perspectives.
- Support for training and civic education programs designed to shore up union and ITS structures, and to combat anti-democratic organizations and propaganda.
- Enhancement of democratic pluralism through support for research organizations and think tanks that concentrate on information needed to support democratic trade unionism and to expose the efforts of its enemies. In some instances, these may involve support for seminars, and other events that engage unionists in policy discussions on how to promote trade union democracy throughout the world.

The proposal will present these categories in terms of the specific activities that relate to each one. Projects covered by this proposal will be implemented for France, Portugal, the United Kingdom, Spain, Poland and Czechoslovakia.

a. Institution-building

Continuations/New Programs

With one exception all of the activities in this category represent continuations of those begun in FY '84. The exception is a new effort to assist an ITS, the Miners' International Federation, in its activities in Africa. For administrative and political reasons (the MIF's location in Europe, work with a non-AFL-CIO American affiliate, etc.) this project is being included here rather than in the Africa section.

Background

As has been noted previously, two of the most important trade unions in Europe, the CGT-Force Ouvriere (FO) of France and the General Union of Workers (UGT) of Portugal confront a variety of anti-democratic counter-organizing efforts. As AFL-CIO allies and mutual members of the International Confederation of Free Trade Unions, these democratic unions are important friends of American labor and have worked together on a number of policy efforts in the ICFTU, the International Labor Organization and elsewhere. The mineworkers project will concentrate on enabling mineworkers from a variety of African countries to meet and discuss common sector strategies.

Project/Program Title

To provide support for the basic structures of trade unions and international trade secretariats.

Project/Program Objectives

- To assist key democratic trade unions and ITS in Europe to maintain basic structures necessary to essential functioning.
- To help key unions and other organizations expand their membership base and, through training and organizing efforts, to amplify the organizational structures necessary for servicing members.

Description of Actual Program

Funds in this category will continue to subsidize organizing and education staffs as has been reported previously for the two European central unions. Beyond support for basic staffing of the two trade union centrals, funds are needed to enable them to function broadly throughout the country or regions within which they are active and to run democratic training and education activities. The funds for the mineworkers will be used to subsidize regional meetings and educational programs emerging from them.

Line Items	Budget
Salaries	$ 524,250
Space & Utilities	50,100
Supplies & Equipment	29,100
Communications & Postage	- 0 -
Travel & Per Diem	117,700
Consultant's Fees & Expenses	40,600
Benefits, Allowances & Taxes	116,200
Contractual Services	- 0 -
Other Direct Costs	47,050
Support Grants	10,000
TOTAL	$ 935,000

b. Exchanges

Continuations/New Programs

No exchanges have previously been budgeted for Europe, with the exception of the exchange between cultural, media and entertainer unionists from the United States and the United Kingdom. The allotment indicated here is for a new program.

Background

Relations between the AFL-CIO and European trade unionists really form the core political base for much international trade union work. It is the European and North American trade unionists who are in the best position, often using the International Confederation of Free Trade Unions as the organizational means, to help struggling unions in the developing world. It is these unions who have the longest history. It is they who are in the strongest position to shape the policy positions of international free trade unionism.

Given the general recession in most European countries, union budgets are much too restrictive to allow for the kind of continuing exchange that enables this important political relationship to be maintained. Endowment funding will be used for European-American exchanges that are either tied to other FTUI-funded programs or relate to key issues bearing on the future of democracy.

Project/Program Title

American-European trade union exchanges.

Project/Program Objectives

* To strengthen existing ties between American and European trade unionists, particularly in relation to policy questions bearing on the future of democracy and in relation to the carrying out of other Endowment programs.

Description of Actual Program

These exchanges will be developed on an ad hoc basis throughout the fiscal year.

Line Items	Budget
Salaries	- 0 -
Space & Utilities	- 0 -
Supplies & Equipment	- 0 -
Communications & Postage	- 0 -
Travel & Per Diem	86,005
Consultant's Fees & Expenses	- 0 -
Benefits, Allowances & Taxes	- 0 -
Contractual Services	- 0 -
Other Direct Costs	- 0 -
Support Grants	- 0 -
TOTAL	$ 86,005

c. Training and Civic Education

Continuations/New Programs

Funding in this category is for continuation of the education and training program sponsored by the Basque regional union (ELA-STV). Given FTUI's decision to assign each project's entire funding to a single category, some programs included here in FY '84 proposals and reports have now been moved to either institution-building or democratic pluralism.

Background

The regional Basque union, Solidaridad de Tabajadores Vascos (ELA-STV), which has been discussed in earlier proposals and reports, is a model union for all of Spain. It has direct affiliation to the ICFTU and a longstanding friendship with the AFL-CIO. Its training program, begun in FY '84, will continue in FY '85.

Project/Program Title

Trade union education for the regional Basque union (ELA-STV).

Project/Program Objectives

- To provide support that enables trade union staffs and representatives to upgrade their own skills through special education and training programs.

Description of Actual Program

Among the courses which are intended for the permanent staff of the confederation and trade union representatives in individual firms are such subjects as "conflict and labor arbitration," "mercantile law," "law and trade union freedom," "strategy of collective negotiation," etc.

Line Items	Budget
Salaries	$ - 0 -
Space & Utilities	- 0 -
Supplies & Equipment	- 0 -
Communications & Postage	- 0 -
Travel & Per Diem	- 0 -
Consultant's Fees & Expenses	- 0 -
Benefits, Allowances & Taxes	- 0 -
Contractual Services	- 0 -
Other Direct Costs	- 0 -
Support Grants	104,186
TOTAL	$ 104,186

d. Democratic Pluralism

Continuations/New Programs

The overwhelming majority of programs funded in this category are continuations of those started with FY '84 funds. The only new ones involve funding for publications and research related to Czechoslovakia and a study of the relationship between trade unions and democratic socialist parties.

Background

There are a number of European-based think tanks and publications whose interests concentrate on exposing the anti-democratic practices of totalitarian regimes and their treatment of workers or worker organizations which seek to be independent of government. These organizations and their publications also publish historical and contemporary studies on anti-democratic subgroups active within democratic countries, including Communist-dominated trade unions and parties. One such organization is the Institut Sino-Sovietique which is located in Paris, France. The Soviet Labour Review, a London-based periodical, concentrates on Soviet labor law and practices. Que Me, a publication of the Association of Vietnamese Overseas, deals with violations of human and trade union rights in Vietnam. The FTUI will also enable the Soviet Labour Review to continue to use consultants from other publications which provide the Soviet Labour Review with basic research.

Chief among the Free Trade Union Institute's projects to promote democratic pluralism is aid to Solidarnosc, the Polish free trade union movement. FTUI aid will continue to help the office representing Poland's Solidarity union, the Coordinating Office Abroad of NSZZ "Solidarnosc", which is based in Brussels, Belgium. Consistent with the desires of Solidarnosc representatives inside Poland, FTUI will use multiple channels based in Stockholm and London for getting funds to those who need them. Besides the European office which officially represents Solidarity, the Free Trade Union Institute is also aiding a group called the Committee in Support of Solidarity based in New York City. This group concentrates on documenting abuses in Poland and on disseminating the information it collects to key defenders of Solidarnosc's survival throughout the world.

One trade union-like organization of professors and students which operates in the French University system has received FY '84 assistance from FTUI. It has developed a comprehensive program to counter propaganda efforts of powerful left-wing organizations of professors.

Newer programs involving publications and research include a project sponsored by the League for Industrial Democracy to more carefully delineate the relationships between democratic trade unions and social democratic parties, particularly because of the practical and political connections these two groups have in many countries, and support for a Czech publication, describing the working of communism inside Czechoslovakia.

Project/Program Title

To assist a number of organizations, including trade unions, research organizations, think tanks and publications that have the promotion of democracy and democratic trade unions as their mission.

Project/Program Objectives

- To aid in the collection and dissemination of information on the practices and policies of totalitarian governments against democratic trade unions.
- To assist unions whose aspirations are democratic and independent to resist totalitarian government pressure.
- To provide support to publications concentrating on trade union, government and labor practices that may stifle democratic development.
- To support studies on the relationship between trade unions and political parties.

Description of Actual Program

In the case of the Soviet Labour Review, FTUI funds will continue to be used for a bi-monthly publication that reviews Soviet legal and political developments related to Soviet labor practices. Funds for the Institut Sino-Sovietique continue to be for research on internal developments within these countries and among their allies. Assistance to the Brussels-based committee representing Solidarity is for use by Solidarnosc and by the Brussels office in ways it finds possible and consistent with Endowment purposes. The Committee in Support of Solidarity will continue to publish about activities in Poland, to collect considerable documentation from inside Poland and to maintain a wide network of information contacts.

Que Me will actually begin publication of a new information bulletin on Vietnamese and Indochinese human and trade union rights violations using some funds budgeted in FY '84 and supplementary FY '85 funding.

The organization of French university professors and students will continue its publications, education and organizing program built on funds already provided in FY '84. The LID will fund various consultants with which it has relationships to complete the study of party-union relationships. The Czech effort will fund exiled partisans in their efforts to expose historical and philosophical aspects of communism as it affects labor and other freedoms.

Line Items	Budget
Salaries	$ 135,067
Space & Utilities	25,133
Supplies & Equipment	227,580
Communications & Postage	117,593
Travel & Per Diem	40,801
Consultant's Fees & Expenses	40,000
Benefits, Allowances & Taxes	10,521
Contractual Services	13,300
Other Direct Costs	215,947
Support Grants	195,778
TOTAL	$1,021,720

REQUESTS FOR PROGRAM AND ADMINISTRATION COSTS TO THE NATIONAL ENDOWMENT FOR DEMOCRACY FROM THE FREE TRADE UNION INSTITUTE

Introduction

The bulk of the Free Trade Union Institute's programs for fiscal year 1985 were already described in the general proposal approved by the NED Board on December 4, 1984. Further submissions for funds to cover additional program activities and increased institute management costs were made on March 1, 1985 and on June 7, 1985.

In this proposal, the FTUI is requesting additional funds to support programs aimed at strengthening democratic unions and promoting democratic values. This submission covers program activities administered directly by the Free Trade Union Institute and for FTUI by the African American Labor Center and the American Institute for Free Labor Development. Funds are being requested to cover institute management costs on an indirect cost basis.

As in previous program submissions, proposed activities will be discussed by region and under separate program categories: institution building; exchanges; training and civic education; electoral processes; democratic pluralism; and democratic development. A more complete discussion of the definition of these categories and general program background was included in earlier applications from the FTUI for FY'85 Endowment funds, and will not be repeated here.

3. Democratic Pluralism

Background

The Solidarity movement and its supporters in the West seek additional funding to supplement a program which enables the banned union movement to communicate with its members and supporters inside Poland. The union and its network of publications constitute the principal source of independent information on the state of worker rights and human rights in a country facing government repression.

Additional support is requested by a French-based Vietnamese exile group to enable this democratic organization to upgrade its publications in Vietnamese and in this way to help its efforts to communicate with the broad exile community and to break the Communist government's monopoly on information in Vietnam.

An additional stipend is requested for the Soviet Labour Review to improve its on-going sub-project of data collecting as well as its publication capacity. The London-based publication is the only English-language periodical which is devoted to workers and labor rights issues in the Soviet Union. There is a significant need for information on these issues to reach Western labor leaders, human rights advocates and government leaders.

The International Confederation of Free Trade Unions, which is the major democratic labor confederation in the world, seeks support for a "Data Situation Index" which will enable it to collect information on labor rights issues and then to provide such information to affiliates. Such a program would immeasurably speed the effectiveness of responses by national unions on issues relating to the suppression of labor rights and other freedoms. It also would enable the democratic labor movement to provide accurate information on social, economic, and political issues to International Trade Secretariats, national affiliates and others including the world press.

The deepening crisis in South Africa requires intensified solidarity support. A proposal to maintain links between democratic labor and college youth leaders in the U.S. and their counterparts in South Africa is proposed. The effort includes the collection of first-hand information, establishment of direct relationships, and the building of support and assistance through student-to-student and youth-to-youth outreach.

Finally, there is a pressing need for continued research on the state of labor rights and human rights in closed societies. Support is requested for a previously funded French-based think-tank studying totalitarian societies.

Project/Program Title

To assist a number of organizations, including trade unions, research organizations, think tanks and publications that have the promotion of democracy and democratic trade unions as their mission.

Project/Program Objectives

* To aid in the collection and dissemination of information on the practices and policies of totalitarian governments against democratic trade unions.

- To assist unions whose aspirations are democratic and independent to resist totalitarian government pressure.
- To provide support to publications concentrating on trade union, government and labor practices that may stifle democratic development.

Description of Actual Program

Support is requested for additional funds aimed at strengthening the capacity of the Solidarity movement to communicate with members and supporters inside Poland.

A Vietnamese democratic publishing program requires modern Vietnamese typesetting equipment to enable it to produce its Vietnamese-language monthly journal, books, pamphlets and other non-periodical publications. The publications effort is aimed at promoting democratic values among exiles and breaking the information monopoly of the Vietnamese government.

Further support to the Soviet Labour Review is to cover additional costs associated with an already-funded English-language publication on worker issues and labor rights in the Soviet Union. Funds also will support a sub-program of research on Soviet labor rights issues.

The major international democratic labor confederation, the ICFTU, seeks funding for the purchase of a microcomputer, word processor, printer and graphic plotter. Additional funds would support access to existing data banks and international press services. The data bank program would enable the ICFTU to speed the distribution of reliable information on the suppression of labor rights to its country affiliates and to International Trade Secretariats.

Frontlash, a youth organization linked to the AFL-CIO, seeks funds to support a program aimed at establishing contacts with democratic youth and labor leaders in South Africa in order to build broad international solidarity with anti-apartheid groupings within that country. Funds would support a student and youth delegation (including the NAACP and A. Philip Randolph Institute) to South Africa. A related publications and education effort also would be funded. This education effort is aimed at providing reliable information to student groups on the struggle for democratic rule in South Africa. The program will include a full-time program director, student interns, office expenses, and publications. A speakers bureau would be developed for student, labor, and youth audiences. Efforts to establish cooperative relationships between U.S. and South African youth leaders would be supported.

Support to a French-based think-tank will fund a research program on human rights and labor rights under totalitarianism.

Line Items	Budget
Salaries	$28,330
Space and Utilities	8,500
Supplies and Equipment	54,900
Communications & Postage	30,261
Travel & Per Diem	22,255
Consultant Fees	46,400
Benefits, Allowances & Taxes	3,730
Contractual Services	0
Other Direct Cost	4,432
Support Grants	30,000
TOTAL	$228,808

4. Special Program Fund

As in earlier proposals, between Endowment Board meetings, it is likely that unexpected, unforeseen circumstances may continue to arise which may require FTUI or FTUI sub-grantees to respond quickly and expeditiously to emergencies or sudden opportunities. In order to respond to them, FTUI proposed the allocation of a special program fund for FY'85. This special program fund is administered by the FTUI in response to requests from sub-grantees (or in the case of Europe, directly).

As is past practice, FTUI will not disburse grants for emergencies and special programs without prior notification of the NED President. Special program funds would only be utilized when urgent action is required between quarterly NED board meetings.

REQUEST TO THE

NATIONAL ENDOWMENT FOR DEMOCRACY

FOR FUNDS FOR

THE FREE TRADE UNION INSTITUTE

FEBRUARY 12, 1986

SECTION B. Europe--and other programs administered directly by FTUI.

Programs requiring FY '86 funds fall into four of the six Endowment purpose areas as follows:

- Institution-building support to democratic trade unions and to international trade secretariats.
- Support for exchange efforts tied to long-range institution-building perspectives.
- Support for training and civic education programs designed to shore up union and ITS structures, and to combat anti-democratic organizations and propaganda.
- Enhancement of democratic pluralism through support for research organizations and think tanks that concentrate on information needed to support democratic trade unionism and to expose the efforts of its enemies. In some instances, these may involve support for seminars and other events that engage unionists in policy discussions on how to promote trade union democracy throughout the world.

The proposal will present these categories in terms of the specific activities that relate to each one. Proposed activities will be discussed on a project-by-project basis.

1. Institution-building

Continuations/New Programs

The one program funded in this category represents a continuation of FY '84 and FY '85 support.

Project/Program Title

a) Assistance to the Uniao Geral de Trabalhadores of Portugal.

Summary

Assistance is sought to enable the Portuguese Uniao Geral de Trabalhadores (UGT) to maintain organizing and educational staff activities. The UGT is the principal pro-Western democratic labor federation in Portugal. It faces a strong challenge from a Communist-dominated, pro-Soviet rival labor federation.

Background/Description of Funded Organization

The Uniao Geral de Trabalhadores is the principal democratic labor federation of Portugal. With a membership of 981,000 in mid-1984, the UGT is almost equal in size to the Communist-controlled, pro-Soviet CGTP-IN. The leadership of the UGT consists primarily of trade unionists associated with the Portuguese Socialist and Social Democratic parties. The UGT is affiliated with the democratic International Confederation of Free Trade Unions and with the European Trade Union Confederation.

As has been noted previously, the UGT confronts a variety of anti-democratic counter-organizing efforts. As a strong AFL-CIO ally, this democratic union federation is an important friend of American labor and has worked jointly on a number of policy efforts in the ICFTU, the ILO and elsewhere. The UGT is engaged in an extensive organizing and representation program in a variety of sectors ranging from teaching to agriculture to the metal industries.

The program supported in FY '84 and FY '85 contributed to the growth of the UGT at a time of economic sluggishness and rising unemployment. Such growth occurred during a time of decline for the Communist CGTP-IN labor. A notable UGT victory occurred in a bankworkers representation selection. The FY '84 and FY '85 program significantly expanded the membership training capabilities of the UGT.

Description of Actual Program

The program will fund activities for a nine month period from April 1 to December 31, 1986. The program will support forty-five full-time staff engaged in organizing, information, research, and basic training for shop stewards. The staff will work in a number of occupational categories, such as agriculture; fishing; construction; etc. Additionally, legal and support staff will be provided for each of the UGT's 14 regional jurisdictions. These workers act as the national union's representatives on the regional level and help to coordinate organizing and democratic education activities. A special teachers' organizing program also will be supported through the funding of five full-time union functionaries.

The project will serve to support a training department for the UGT and for each of its constituent unions. The educational program proposed will be conducted in four basic areas:

1) General participation seminars providing basic democratic education on the positions taken by the union on key issues. Participants will be union leaders, officers, staff, and on occasion, the general public. 2) Courses for shop stewards and trade union organizers. 3) Courses for newly-elected union leaders and shop stewards. These courses will provide basic education on the theory and practice of democratic unionism. 4) Seminars organized on a union-by-union basis reflecting occupational concerns.

Most of the proposed education will be provided in one- and two-day seminars conducted throughout the period of the grant. Among the topics to be addressed are: 1) trade union organization; 2) labor legislation; 3) economic issues; 4) health and social insurance; 5) concepts of worker rights.

The training program will be conducted under the general supervision of the UGT national leadership who are responsible for the selection and training of all staff engaged in this program.

Objectives and Anticipated Results

The program will help the Portuguese UGT expand its membership base and, through training and organizing efforts, to amplify the organizational structures necessary for servicing members.

The UGT will be assisted in maintaining a significant organizing and training program. Union education and organizing assistance is expected to lead to further membership growth and increased support in representation elections.

Relation to Endowment Purposes

The program promotes "democratic training programs and democratic institution-building abroad". It fosters U.S. labor "cooperation with those...abroad dedicated to...cultural pluralism".

Line Items	Budget
Salaries	$ 193,004
Space & Utilities	24,161
Supplies & Equipment	14,407
Travel & Per Diem	11,794
Consultant's Fees & Expenses	28,178
Support Grants	47,206
TOTAL	$ 318,750

2. Exchanges

Continuations/New Programs

Exchanges with European unionists were supported in FY '84 and FY '85.

Project/Program Title

a) American/European trade union exchanges

Summary

Exchanges involving approximately six U.S. and European labor leaders will be undertaken by the FTUI. Exchanges will seek to strengthen relations between U.S. and European labor.

Background/Description of Funded Organization

Relations between the AFL-CIO and European trade unionists form the core for much international trade union work. It is the European and North American trade unionists who are in the best position, often through the International Confederation of Free Trade Unions, to help struggling unions and to promote democratic values in the developing world. It is these unions who have the longest history and are in the strongest postion to shape the policy positions of international free trade unionism.

Given the general recession in most European countries, union budgets are much too restrictive to allow for the kind of continuing exchange that enables this important political relationship to be maintained. Endowment funding will be used for European-American exchanges that are either tied to other FTUI-funded programs or relate to key issues bearing on the future of democracy.

In FY '85 FTUI's exchange program enabled young German trade unionists to visit the U.S. to learn about the workings of the U.S. trade union movement and its foreign policy positions. Exchanges with Portuguese and Spanish labor leaders also were supported. These valuable exchanges with unions participating in FTUI-supported programs strengthened U.S. labor's relations with its European conterparts. The FTUI will administer this exchange program directly.

Description of Actual Program

The exchange program will seek to fund travel and per diem costs for approximately five U.S. and European democratic labor leaders over a nine month period: April 1, 1986 through December 31, 1986.

Participants will be selected on the basis of their involvement in key policymaking positions and international affairs activities of their unions. Special emphasis will be placed on exchanges between unions involved in aspects of FTUI's democracy-building activities.

Objectives and Anticipated Results

This program seeks to strengthen existing ties between American and European trade unionists, particularly in relation to policy questions bearing on the future of democracy and in relation to the carrying out of other Endowment programs.

Exchanges for approximately five U.S. and European trade union officials will be supported.

Relation to Endowment Puposes

The program seeks "to facilitate exchanges between the United States private sector groups (especially...labor...) and democratic groups abroad".

Line Items	Budget
Travel & Per Diem	$ 14,000
TOTAL	$ 14,000

3. Training and Civic Education

Continuations/New Programs

Funding in this category is for continuation of the FY '85 education and training program sponsored by the Basque regional union federation (ELA/STV).

Project/Program Title

a) Democratic Education Program of the ELA/STV, the Basque Federation of Workers

Summary

This program seeks to support a training program in basic union skills and democratic education for trade union staff and shop stewards of the largest democratic trade union organization in the Basque region of Spain-- the ELA/STV.

Background/Description of Funded Organization

The Euzko Langileen Alkartasuna/Solidaridad de Trabajadores Vascos (ELA/STV - Basque Federation of Workers) is the largest trade union federation in Spain's Basque region. The ELA/STV has over 110,000 members and in recent elections its candidates won over forty percent of votes for representation on workers councils in the Basque Autonomous Region. The ELA/STV is not affiliated with any political organization. The federation belongs to the International Confederation of Free Trade Unions and the European Trade Union Confederation. The ELA/STV has had a long history of opposition to fascism and communism.

The Basque region is beset by extremist terrorism and a strong pro-Soviet Communist presence. The ELA/STV serves as the strongest counterweight to such anti-democratic influences in the region. FTUI-supported activities in FY '84 and FY '85 included impressive regular week-long democratic education programs which trained over 2,000 trade union leaders and activists in all.

Description of Actual Program

Funds will support a nine-month union education and training program. The time frame for the grant is April 1, 1986, through December 31, 1986. Week-long education programs for over sixty permanent union staff will be provided during this period. Topics of these seminars will include: 1) the history of the struggle for trade union freedom in Spain; 2) basic collective worker rights; 3) individual worker rights; 4) relationships between unions and government; 5) relationships between unions and political parties; 6) freedom of association and the right to strike; and 7) economic policy and industrial development.

A series of week-long educational seminars for a total of approximately 600 shop stewards and union workplace activists will focus on: 1) democratic education; 2) group dynamics; 3) mercantile (business) law; and 4) communications skills.

Objectives and Anticipated Results

To provide support that enables the ELA/STV union staff and representatives to upgrade their skills through special education and training programs.

It is anticipated that approximately 60 union staff and 600 union shop stewards and activists will be provided with intensive week-long courses in democratic values and union skills.

Relation to Endowment Purposes

The program promotes U.S. labor "participation...in democratic training programs...abroad". It also fosters U.S. labor "cooperation with those abroad dedicated...to cultural pluralism."

Line Items		Budget
Support Grants		$ 86,149
	TOTAL	$ 86,149

4. Democratic Pluralism

Continuations/New Programs

Three of the programs funded in this category are continuations of those supported with FY '85 funds. One program involves funding for the Institut d'Histoire Sociale, which was supported with FY '84 funds.

Project/Program Title

a) Assistance to the Polish independent trade union movement, its Western representatives, and to organizations documenting its activities.

Summary

A proposal totalling $304,163 for Polish-related programs is being prepared.

	Budget
TOTAL	$ 304,163

Project/Program Title

b. Institut d'Histoire Sociale

Summary

The Institut d'Histoire Sociale, a French-based think-tank on labor and international affairs issues, will be supported in a program of publication of studies on international labor issues.

Background/Description of Funded Organization

Founded by the noted scholar of Soviet studies, Boris Souvarine, the Institut d'Histoire Sociale is the largest private French repository of documents on Communism, the Soviet Union, and Russian revolutionary history. The institute publishes a wide range of periodicals and conducts extensive research on trade union, East-West, and Communist affairs. It sponsors colloquies with prominent French and West European intellectuals and scholars. IHS's board of directors spans the broad spectrum of democratic thought in France. Contributors to IHS periodicals include Jean-Francois Revel, Branko Lazitch, and Michel Heller. Support is sought for an IHS periodical entitled "Les Etudes Sociales et Syndicales" (Social and Labor Studies).

Programs supported in FY '84 led to the publication of articles and studies on East-West union relations, trade union rights, and the International Labor Organization. These studies were widely cited in the French press.

Description of Actual Program

Support is sought to fund the monthly publication of Les Etudes Sociales et Syndicales, a magazine which examines international labor issues and trade union affairs inside France. A special focus of the publication is the activities of Communist-dominated trade unions and international worker rights. Nine issues of the magazine would be supported for the period April - December, 1986. An IHS contribution and subscription fees would cover approximately 50 percent of total costs. Support would fund editing, printing administration and distribution. Two brochures on topical issues (e.g. the Communist CGT labor federation and on the International Labor Organization) also will be supported through the grant.

Objectives and Anticipated Results

The program will enable a French-based think-tank to raise public awareness of such critical labor issues as trade union freedoms, the role of the Communist Party in French trade union life, and the activities of the International Labor Organization.

Two brochures will be published and nine monthly issues of Les Etudes Sociales et Syndicales will be produced.

Relation to Endowment Purposes

The program supports "activities which promote...individual rights and freedoms (including internationally recognized human rights.)"

Line Items	Budget
Salaries	$ 3,310
Communications & Postage	1,655
Consultant's Fees & Expenses	4,413
Other Direct Costs	12,184
TOTAL	$ 21,562

Project/Program Title

c. POL-Verlag

Summary

POL-Verlag is a German-based publishing house associated with the Czechoslovak Social Democratic Party. The Social Democratic Party has had a long history of consistent support for democracy and trade union rights. After the consolidation of power by the Communists following World War II, the leadership of

Czech social democracy and the democratic trade union movement fled to the West. POL-Verlag publishes a quarterly Czech-language periodical _Pravo Lidu_, which is intended for distribution inside Czechoslovakia. _Pravo Lidu_ is in its 88th year of publication.

FY'85 funds supported four issues of _Pravo Lidu_. The journal significantly expanded its print run and distribution inside Czechoslovakia. _Pravo Lidu_'s editors indicate that it is now the most widely distributed exile publication inside Czechoslovakia. A major focus of _Pravo Lidu's_ concern is the state of trade union rights and human rights in the Czechoslovakian Soviet Socialist Republic.

Recent issues have focused on such themes as: freedom of information, the Hungarian dissident movement, human rights in the Baltic nations, the activities of Charter 77 (the Czech dissident human rights committee), and the state of human and trade union rights in the Czechoslovak SSR. Among authors whose work has appeared recently in _Pravo Lidu_ are: Ivan Svitak, Ota Filip, Jiri Grusa, Erazim Kohak, Jaroslav Seifert, and Josef Skvorecky.

Description of Actual Program

The POL-Verlag seeks funds for three quarterly issues of _Pravo Lidu_ in the period between April 1, 1986 and December 31, 1986. Funds requested will support printing costs and costs related to the distribution of the journal inside

Czechoslovakia. The POL-Verlag contributes the services of an administrator/editor who oversees much of this activity.

Pravo Lidu reports that it is receiving a significantly larger number of letters tò the editor from inside Czechoslovakia, indicating that the journal is reaching larger numbers of readers. The journal has succeeded in expanding its circulation in the CSSR and seeks to maintain the level of last year's program of publication and distribution.

Objective and Anticipated Results

The grant to POL-Verlag is intended to fund Pravo Lidu, a publication of the Czechoslovak Social Democratic Party in exile. The grant also seeks to maintain FY '85's increase in the number of copies of the quarterly which are distributed inside Czechoslovakia.

The overall objective is to contribute to the breaking of the Communist government's monopoly on information.

Relation to Endowment Purposes

The program supports "activities which promote individual rights and freedoms." It also encourages "the establishment and growth of democratic development."

Line Items

Other Direct Costs		[illegible]500
	TOTAL	$ 22,500

Project/Program Title

d) Que Me

Summary

Que Me, a French-based human rights organization and publishing house seeks assistance for the publication of a monthly information bulletin on Vietnam edited in English and French for circulation in Europe, the U.S., and Asia.

Background/Description of Funded Organization

Que Me ("Homeland", in Vietnamese) is a Paris-based publication and human rights organization linked to the Association of Vietnamese Overseas. It commands support from a broad spectrum of the international human rights community for the accuracy of its reporting and research.

Que Me has been supported with FY' 84 and FY '85 funds from FTUI. A major focus of the supported program was the funding of an English- and French-language bulletin on human rights, trade union and political issues in Vietnam. FTUI support for Que Me has enabled that organization to collect and publicize data on the violations of human rights, religious liberties and trade union rights in Vietnam. Additional support was for the upgrading of the organization's publications, through the provision of new typesetting equipment.

Que Me also was supported in preparing a major study on human rights in Vietnam. The report was widely covered in the U. S. and Western European press.

Description of Project Activities

Que Me seeks support for the costs associated with the publication of its monthly English- and French-language bulletin. The bulletin's reports on the status of human and trade union rights already are being widely cited in the French press. Funding will partially support the publication of four-to-eight page monthly bulletins in English and French. Partial costs of the bulletin will be met through subscription. Funding provided by the FTUI is for salaries of editorial staff, communication costs associated with the gathering of information, and printing costs. The grant covers activities for the period April - December, 1986.

Objectives and Anticipated Results

Que Me seeks to provide a regular and reliable news service on events in Vietnam and to contribute, through the channel of news and comment, to the battle of ideas towards a free world. By gleaning information from the official Vietnamese press and radio, and by presenting news obtained directly from Que Me's network inside Vietnam, Que Me hopes to offer to English and French speaking readers an original and unique presentation of events as seen by Vietnamese specialists.

A monthly bulletin in French and English will continue to be published.

Relation to Endowment Purposes

The program's publicizing of human and labor rights violations by Vietnam supports "activities which promote individual rights and freedoms..."

Line Items	Budget
Salaries	$ 11,600
Communications & Postage	4,400
Other Direct Costs	4,000
TOTAL	$ 20,000

e. Project/Program Title

Assistance to the Soviet Labour Review

Summary

Soviet Labour Review, a London-based periodical with a significant trade union readership seeks continued assistance to publish on a bimonthly schedule.

Background/Description of Funded Organization

The Soviet Labour Review (SLR) is a bimonthly, eight-page periodical which publishes analysis and news items on trade unions and independent labor activity in the USSR. A major aspect of the SLR's work is the documentation of the activity of the USSR's dissident trade union movement. Another aspect of its work is the collection of reliable information of the state of workers' rights in the USSR. The periodical is widely distributed among West European trade unionists, journalists and international human rights organizations. The publication was supported with FY '84 and FY '85 funds from FTUI.

SLR has an editorial board consisting of George Miller, Simon Clark, George Brudder, Nikolai Petro and Natasha Tarsis.

Description of Proposed Activities

The proposed grant will support the editing, printing and mailing costs associated with the bimonthly publication of the Soviet Labour Review over the period March - December, 1986. Funding also will support research associated with the preparation of the periodical's articles. The SLR will continue to be distributed to journalists, human rights organizations, and trade union international affairs specialists. The eight-page, typeset format of the journal will be maintained. Efforts will be made to increase circulation to trade union leadership and staff.

Objectives and Anticipated Results

The journal hopes to increase awareness of the denial of fundamental trade union and worker rights in the USSR. By raising such awareness the SLR hopes to contribute to increased public pressure on the Soviet government to cease such violations.

The bimonthly editing, publication, and distribution of the Soviet Labour Review will be supported.

Relation to Endowment Purposes

The program seeks to support the documenting of fundamental trade union rights in the USSR. In this way it supports "activities which promote individual rights and freedoms".

Line Items	Budget
Salaries	$ 7,275
Communications & Postage	1,725
Other Direct Costs	6,000
TOTAL	$ 15,000

Section C. Africa--administration for FTUI by AALC

Programs to be funded with FY '86 funds fall into two of the Endowment purpose areas as follows:

- Institution-building support to democratic trade unions and democratic tendencies within unions to enable them to cooperate with one another in promoting representative unionism.
- Training and civic education activities in individual national trade union centers and on a Pan-African basis to heighten awareness and sophistication on basic trade union issues and to reverse biases against democratic electoral processes.

The program proposal that follows will discuss country and regional activities on a project-by-project basis.

1. Institution-building

Continuations/New Programs

This request seeks support for a region-wide institution-building program based in Francophone Africa and support to several regional African trade union bodies. These programs are a continuation of initiatives funded in FY '85. One project, in cooperation with the French Force Ouvriere, is a new initiative.

Project/Program Title

a) Cooperative Program with Force Ouvriere

Summary

The French trade union federation, FO, seeks to cooperate with AALC in strengthening democratic trade unions in Africa, particularly in the French-speaking nations, with whom they share historic, linguistic, and cultural ties, and in the French overseas department of Reunion.

Background/Desription of Funded Organization

Force Ouvriere (FO) is the largest pro-democratic trade union organization in France. The AFL-CIO and FO have long shared a belief in free and democratic labor organizations which use solid trade union accomplishments rather than politics to represent their membership. FO has historic ties in Africa which go back to the late 1940's. Because they lacked adequate resources for international affairs projects, FO was unable to expand fraternal activities beyond an annual seminar for African union leaders in Paris. During 1985, however, FO planned to establish an institute similar to AALC to carry out new programs of worker education in Africa. This institute would then be another source of support for democratic institution building in Africa.

Description of Actual Program

In 1985, Force Ouvriere created the Institute for Economic, Social and Cultural Cooperation (IDESC), an organization similar to AALC, to assist African labor movements. The work of IDESC would supplement the AALC's work and increase Western democratic activities. The joint AALC-FO project will assist in launching the FO's institute. It will allow IDESC directors to travel to

Africa to discuss co-operative activities with key unions. It also will allow FO to initiate a concrete program immediately, including leadership seminars in Africa and the provision of equipment and library materials for educational activities.

IDESC staff will travel to Senegal, Guinea, Ivory Coast, Togo and Cameroon. A number of seminars will be organized by two FO instructors, emphasizing democratic trade union procedures and stressing specific technical subjects such as collective bargaining, union organization, and health and safety. FO will organize a training session for French departmental leaders and send Paris-based instructors to reinforce the union's position in the strategic Indian Ocean island of Reunion.

This program will begin with a visit to Africa by two FO international affairs representatives to establish the need, schedules, and content of educational programs. A second phase will be three one-week residential technical seminars conducted by FO. An FO specialist in technical material development will attend the seminars and participate in them to enhance the impact and quality of the presentation. FO and AALC will develop a model trade union library in French for presentation to the various unions to further assist in education and research development. AALC will fund one quarter of the IDESC director's annual salary during this critical initial period.

The program will fund activities for a ten-month period, March - December, 1986.

Objectives and Anticipated Results

FO, with AALC assistance, will develop a comprehensive project for reinforcing the impact of democratic trade unionism on various labor movements in Francophone Africa. The project will provide African unions with increased Western democratic support as well as reinforce the role of FO in the island of Reunion, where aid is required to expand the influence of democratic unionism.

Relation to Endowment Purposes

The joint AALC-FO project is consistent with a number of legislated Endowment purposes. It supports the participation of labor in "fostering cooperation with those abroad dedicated to the cultural values, institutions, and organizations of democratic pluralism." By relying on historic ties to establish support for democratic unions, the FO project is faithful to the concepts of democratic institution-building and promotion of training and education.

Line Items	Budget
Salaries	$ 21,568
Supplies & Equipment	5,273
Travel & Per Diem	21,069
Other Direct Costs	12,913
TOTAL	$ 60,823

Project/Program Description

b. Assistance to Unions in Francophone Africa

Summary

This program represents a continuation of a successful and rapidly growing activity. In the relatively short time that a regional Francophone program has been functioning, direct assistance has been provided to unions where cultural, economic, and political traditions are favorable to the development of democracy.

Background/Description of Funded Organizations

The continuation of this program involves a comprehensive approach to trade union development and assistance to those countries in West Africa having similar colonial as well as post-independence experiences.

A regional Francophone AALC representative has maintained a full-time presence in Abidjan, Ivory Coast since July 1985 to help trade union movements in Guinea, Gabon, Burkina Faso, Cameroon, Ivory Coast, Senegal, Togo, Niger, and Mali to develop programs which will strengthen the labor organizations' resistance to Eastern-bloc influences. This recent effort has established new training opportunities and membership services for union members in the Ivory Coast and Togo. Assistance to the Guinean labor federation is helping to strengthen the position of trade unionists in the country thus enabling them to revitalize their labor organization.

Since July 1985, a shop steward training program has been conducted in the Ivory Coast for the UGTCI (Union Generale des Travailleurs de Cote d'Ivoire) with additional seminars scheduled. Assistance has been provided to the Togo CNTT (Confederation Nationale des Travailleurs du Togo) to expand membership service, to equip a workers' cafeteria, and to plan for educational activities. Support has been extended to the Guinean CNTG (Confederation Nationale des Travailleurs de Guinee) whose headquarters building needed extensive repair. The CNTG has scheduled a full range of basic and advanced programs dealing with occupational safety and health, economic development, and the problems of working women.

Description of Actual Program

With a full-time AALC representative in residence to oversee assistance to Francophone African trade unions, a number of seminars and other forms of assistance have been requested.

In the Ivory Coast, the Union General des Travailleurs de Cote d'Ivoire (UGTCI) is an important component in the country's political life. UGTCI's labor leaders recognize that training opportunities and a high level of democratic trade union awareness among the emerging leaders will help the federation become a more self-sufficient organization able to speak and act effectively on behalf of its members. The leaders of the UGTCI have requested seminars for women workers and youth, labor leaders in the public sector, and two or more training seminars for shop stewards training. In addition, they are seeking assistance to construct a national labor education center and a union-sponsored consumer cooperative, a pilot program which includes a clinical dispensary. They also seek closer ties with American affiliates of international trade secretariats.

In Guinea, following the death of Sekou Toure and the ensuing political uncertainty, the Confederation Nationale des Travailleurs de Guinee (CNTG) became a free and independent entity within Guinean society. In early 1985 new elections brought pro-democratic leaders to the CNTG who drew up a protocol agreement between the labor federation and AALC. Under this agreement, AALC is providing technical and other assistance to the CNTG. The current leadership is highly motivated but faces the formidable task of rebuilding the labor movement. The CNTG has requested four national seminars on economics, a regional study tour for union women, a seminar for union women leaders, and a regional union publications study tour to enable the CNTG to develop effective union newspapers. The CNTG has expressed interest in establishing cooperatives for its members and is seeking the services of a cooperative expert who could work with them. The CNTG leadership wants to meet with American affiliates of democratic international trade secretariats to explore eventual ITS affiliation. In addition, the union headquarters desperately needs printing equipment for the anticipated union publications and a heavy duty vehicle to help the leadership reach members in remote sections of the country.

Gabon's Confederation Syndicale Gabonaise (COSYGA), although linked in the past with the ruling political party, is now seeking a more independent role and has sought assistance for an ambitious plan to expand labor education and cooperatives. Recent changes in the federation's leadership have brought to office an energetic group of young and relatively inexperienced individuals who recognize the need for training. Initially COSYGA seeks assistance for two seminars and a visitor exchange program for two of its union leaders. Much of COSYGA's attention is presently directed toward the organization of OTAC, the Organisation des Travailleurs de l'Afrique Centrale, through which it can enhance its role in central African affairs.

Representatives from Cameroon's UNTC (Union Nationale des Travailleurs du Cameroun) have approached AALC for assistance in developing an education program and as a result at least two seminars are anticipated. Additional equipment assistance for organizational purposes has been requested, including office supplies, a typewriter, and some office furniture. A convention is scheduled for the near future which may bring more pro-democratic Cameroonians into the labor movement.

Similar requests for assistance have been received from Burkina Faso's CNTB (Confederation Nationale des Travailleurs Burkinabe) which faces a grim economic and political situation. The CNTB is one of many union groups in Burkina Faso, but one of the only groups adhering to free and democratic principles.

The Francophone program will be implemented over a ten-month period, March - December, 1986.

Objectives and Anticipated Results

The objective of this program is to reinforce free and democratic organizations in French-speaking Africa, using the historic and linguistic ties between Francophone unions so that they can be more knowledgeable about regional, political and economic affairs which affect them.

Relation to Endowment Purposes

A regional AALC Francophone program will assist pro-democratic forces in trade union federations facing anti-democratic pressures; help trade unions through American affiliates of international trade secretariats; develop programs with a number of African trade union federations; and provide equipment and educational programs through which labor organizations can broaden contact with their membership and develop skilled leaders, all components of the legislated intent of institution-building.

Line Items	Budget
Salaries	$ 52,041
Space & Utilities	13,801
Supplies & Equipment	50,313
Communications & Postage	3,237
Travel & Per Diem	16,236
Other Direct Costs	107,784
TOTAL	$ 243,412

FREE TRADE UNION INSTITUTE

QUARTERLY REPORT
TO THE
NATIONAL ENDOWMENT FOR DEMOCRACY

APRIL - JUNE, 1984

C. Europe

Programs begun with funds approved April 3rd fall into three of the six Endowment purpose areas as follows:

- Institution-building support to democratic trade unions and to trade union-like organizations of professors and intellectuals, particularly in instances where anti-democrats have propaganda and organizational advantages.
- Support for training and political education programs designed to shore up union structures.
- Enhancement of democratic pluralism through support for research organizations and think tanks that concentrate on information needed to support democratic trade unionism and to expose the efforts of its enemies. In some instances, these may involve support for seminars, and other events that engage in policy discussions on how to promote trade union democracy throughout the world.

The following discussion will take up each of these categories in terms of the specific activities that relate to each one. It must be noted here that some funds designated for Europe in the April 3rd proposal but not yet advanced to recipient organizations will be transferred to other projects in accordance with the Endowment's notification procedures. Projects covered by this report take place in France, Portugal, the United Kingdom and Poland.

1. Institution-Building

Background

Two of the most important democratic trade unions in Europe, the CGT-Force Ouvriere (FO) of France and the General Union of Workers (UGT) of Portugal have been up against a variety of anti-democratic counter organizing efforts. As AFL-CIO allies and mutual members of the International Confederation of Free Trade Unions, these unions are important friends of American labor and have worked together on a number

Organization and elsewhere.

A third organization, this one a trade union like entity operating within the French university system is composed primarily of professors but including students as well. It has developed a comprehensive program to counter the propaganda efforts of powerful left-wing organizations of professors that operate within the system. The group has published a number of books and pamphlets on such topics "Subversion and the Theology of Revolution," and "Neutralism or Liberty." Given the power of the left in the French university system, the work of this group offers an important political counterweight that would otherwise not be present. It needs funding to maintain the organizational base necessary to carry out education programs and put out publications.

Project/Program Title

To provide support for the basic structures of trade union and trade union-like organizations.

Project/Program Objectives

* To assist key democratic trade unions and trade union-like organizations in Europe maintain basic structures necessary to essential functioning.

* To help key unions and other organizations expand their membership base and amplify the organizational structures necessary for servicing members.

Description of Actual Project Activities

Most of the funds in this category have been used to subsidize organizing and education staffs. In the case of one trade union central these organizers function in various trade sectors such as textiles, agriculture, public service, etc. In another they service and organize members across more general organizational lines.

The professors and students group has used its funding to organize a series of seminars, to publish posters and to disseminate publications cited elsewhere in this report. Funding has been used for essential staffing, building rent and the like. The latter group has used FTUI funds to subsidize these activities within a suborganization of its overall operation that concentrates on research and publications.

Actual Results/Accomplishments

In both major trade union centrals, organizers have been placed in the field and in some cases have done important political follow-up work in the aftermath of key administrative elections. The organization of professors and students has published four major publications and has begun the planning for a number of others.

Line Items	Budget	Advances	Reported Expenditures
Salaries	231,000	231,000	- 0 -
Space & Utilities	10,000	10,000	- 0 -
Supplies & Equipment	2,000	2,000	- 0 -
Communications & Postage	46,000	46,000	- 0 -
Travel & Per Diem	4,000	4,000	- 0 -
Consultant's Fees & Expenses	- 0 -	- 0 -	- 0 -
Benefits, Allowances & Taxes	72,000	72,000	- 0 -
Contractual Services	- 0 -	- 0 -	- 0 -
Other Direct Costs	45,000	45,000	- 0 -
Support Grants	- 0 -	- 0 -	- 0 -
TOTAL	$410,000	$410,000	- 0 -

2. Training and Political Education

Background

Funding in this category exactly parallels the activities cited above. Beyond support for basic staffing of the two trade union centrals, funds are needed to enable them to function broadly throughout the countries and regions within which they are stationed and to run the kinds of training and education activities they were hired to perform. The professors and students group has used its funding to publish four publications which have been distributed throughout the French university system.

Project/Program Title

To support key democratic trade union centrals and trade union-like university organizations in educating their memberships and others on democratic trade union ideals and on issues related to their basic purposes.

Project/Program Objectives

- To support the publication of documents on a variety of union and political issues for use with union memberships, to recruit new members and to clarify positions with the larger general public.
- To provide support that enables trade union staffs to circulate widely among members, hold special meetings and seminars, etc. that involve pro-democratic education.

Description of Actual Project Activities

In the case of the two trade union centrals, the staff members that have been hired have conducted educational meetings. The professors and students organization has put out and distributed four publications.

Actual Results/Accomplishments

New, sector-specific capability has been developed in one trade union central. In another, more general education has been done, including the preparation for, and implementation of, union

First Annual Report
FY 1984 submitted
Fall 1984

C. Europe

Programs begun with FY '84 funds approved by the Endowment Board fall into four of the six Endowment purposes areas as follows:

- * Institution-building support to democratic trade unions and to international trade secretariats and to trade union-like organizations of professors and intellectuals, particularly in instances where anti-democrats have propaganda and organizational advantages.
- * Support for exchange efforts tied to long-range institution-building perspectives, particularly in the field of trade unionists in the cultural field.
- * Support for training and civic education programs designed to shore up union and ITS structures, and to combat anti-democratic organizations and propaganda.
- * Enhancement of democratic pluralism through support for research organizations and think tanks that concentrate on information needed to support democratic trade unionism and to expose the efforts of its enemies. In some instances, these may involve support for seminars, and other events that engage unionists in policy discussions on how to promote trade union democracy throughout the world.

The following report will examine these categories in terms of the specific activities that relate to each one. It must be noted here that some funds budgeted for Europe in some categories have been transferred to other projects in accordance with the Endowment's notification procedures. Projects covered by this report are implemented in France, Portugal, the United Kingdom, Spain and Poland.

1. Institution-building

Background

Two of the most important democratic trade unions in Europe, the CGT-Force Ouvriere (FO) of France and the General Union of Workers (UGT) of Portugal confront a variety of anti-democratic counter-organizing efforts. As AFL-CIO allies and mutual members of the International Confederation of Free Trade Unions, these democratic unions are important friends of American labor and have worked together on a number of mutual policy efforts in the ICFTU, the International Labor Organization and elsewhere.

A third organization, this one a trade union-like entity operating within the French university system, is composed primarily of professors but includes students as well. It has developed a comprehensive program to counter propaganda efforts of powerful left-wing organizations of professors that are active within the system. The group has published a number of books and pamphlets on such topics as "Subversion and the Theology of Revolution," and "Neutralism or Liberty." Given the power of the anti-democratic left in the French university system, the work of this group offers an important political counterweight that would otherwise not be present. It needs funding to maintain the organizational base necessary to carry out education programs and put out publications.

In Spain, the Solidarity of Basque Workers (ELA-STV), which a regional jurisdiction in one of the most important industrial regions of the country, is engaging in important training efforts connected with building and strengthening this labor organization.

Project/Program Title

To provide support for the basic structures of trade union and trade union-like organizations.

Project/Program Objectives

- To assist key democratic trade unions and trade union-like organizations in Europe to maintain basic structures necessary to essential functioning.
- To help key unions and other organizations expand their membership base and, through training and organizing efforts, to amplify the organizational structures necessary for servicing members.

Description of Actual Project Activities

Most of the funds in this category have been used to subsidize organizing and education staffs. In the case of one trade union central, the UGT of Portugal, these organizers function in various trade sectors such as textiles, agriculture, public service, etc. In another, they service and organize members across more general organizational lines. The French-based professors and students project has used its funding to organize a series of seminars, to publish posters and to disseminate publications cited elsewhere in this report. Funding has been used for essential staffing, office rent and the like. The latter group has used FTUI funds to subsidize these activities within a suborganization of its overall operation that concentrates on research and publications.

The Spanish regional union, the Basque ELA-STV, has designed a comprehensive training program for its activists and organizers that is specifically geared to their level of union responsibility and their length of service as union leaders.

Actual Results/Accomplishments

In both the Basque and Portuguese major trade union centrals, organizers have been placed in the field and in some cases have done important political follow-up work in the aftermath of key administrative elections. The UGT has been most successful in the sectors having to do with textiles, agriculture, metal, chemicals, fishing and mines. The UGT also used some funds in conducting its III National Congress. The organization of professors and students has published four major publications and has begun the planning for a number of others. The Basque union already has conducted at least three seminars for trade union leaders.

Line Items

Salaries
Space & Utilities
Supplies & Equipment
Communications & Postage
Travel & Per Diem
Consultant's Fees & Expenses
Benefits, Allowances & Taxes
Contractual Services
Other Direct Costs
Support Grants

TOTAL

2. Training and Civic Education

Background

Funding in this category parallels the activities cited above. Beyond support for basic staffing of the two trade union centrals and the regional unions, funds are needed to enable them to function broadly throughout the country or regions within which they are active and to run democratic training and education activities. The French professors and students group has used its funding to print four publications which have been distributed throughout the French university system.

Project/Program Title

To support key democratic trade union centrals and trade union-like university organizations in educating their membership and others on democratic trade union ideals and on issues related to their basic purposes.

Project/Program Objectives

- To support the publication of documents on a variety of union and political issues for use with union memberships, to recruit new members and to clarify positions to the larger general public.
- To provide support that enables trade union staffs to circulate widely among members, hold special meetings and seminars, etc. which involve pro-democratic education.

Description of Actual Project Activities

In the case of the two trade union centrals, the staff members funded by FTUI have conducted educational meetings. The French professors and students organization has put out and distributed four publications. The regional Basque union has sponsored a number of seminars.

Actual Results/Accomplishments

New, sector-specific training has been developed by the Portuguese UGT trade union central, particularly in the textile, agriculture, metal and chemical, fishing and mines industries. In another case, more general education has been done, including the preparation for, and implementation of, union and union-related elections. The union-like organization of professors and students has conducted over 40 educational meetings for its leaders.

Line Items

Salaries
Space & Utilities
Supplies & Equipment
Communications & Postage
Travel & Per Diem
Consultant's Fees & Expenses
Benefits, Allowances, & Taxes
Contractual Services
Other Direct Costs
Support Grants

TOTAL

3. Democratic Pluralism

Background

There are a number of European-based think tanks and publications whose interests concentrate on exposing the anti-democratic practices of totalitarian regimes and their treatment of workers or worker organizations which seek to be independent of government. These organizations and their publications also publish historical and contemporary studies on anti-democratic subgroups active within democratic countries, including Communist-dominated trade unions and parties. Among these organizations are the Institut pour les Droits de L'Homme, the Institut D'Histoire Sociale, and the Institute Sino-Sovietique all of which are located in Paris, France. The Soviet Labour Review, a London-based periodical, concentrates on Soviet labor law and practices. Que Me, a publication of the Association of Vietnamese Overseas, deals with violations of human and trade union rights in Vietnam. The FTUI also assists a subsidiary publication which provides the Soviet Labour Review with basic research but has its own dissemination network.

A conference concentrating on political developments in Central America was sponsored by the leading democratic union organization in Portugal, the UGT. A number of American trade union and political leaders were invited to participate in this major conference, which amounted to an historic first.

Chief among the Free Trade Union Institute's projects to promote democratic pluralism is aid to Solidarnosc, the Polish free trade union movement, in Poland. FTUI aid is used to help the office representing Solidarnosc,which is located in Brussels, Belgium. In the case of support for Poland, the committee will be responsible for providing evidence of disbursements compatible with the purposes specified in the grant agreement and with conditions prevailing in Poland. The committee will provide to the Free Trade Union Institute, to the maximum extent possible, whatever tangible evidence may be available to indicate how the grant funds were expended.

Besides this European-based office which officially represents Solidarity, the Free Trade Union Institute is also aiding a group called the Committee in Support of Solidarity based in New York City. This group concentrates on documenting abuses in Poland and on disseminating the information it collects to key defenders of Solidarnosc's survival throughout the world.

Project/Program Title

To assist a number of organizations, including trade unions, research organizations, think tanks and publications that have the promotion of democracy and democratic trade unions as their mission.

Project/Program Objectives

- To aid in the collection and dissemination of information on the practices and policies of totalitarian governments against democratic trade unions.
- To assist unions whose aspirations are democratic and independent to resist totalitarian government pressure.
- To provide support to publications concentrating on trade union and labor practices that may stifle democratic development.
- To help democratic unions committed to democracy to explore international policies that may affect free unionism worldwide.

Description of Actual Project Activities

In the case of the Soviet Labour Review, funds have been used for a bi-monthly publication that reviews Soviet legal and political developments related to Soviet labor practices. The Institut pour les Droits de l'Homme has prepared a moveable exhibit on the Soviet system and its consequences for the conditions of workers. The exhibit has been seen in a number of

French towns and in union halls. The Institut D'Histoire Sociale is planning the revival of a publication on East-West issues that affect trade unions and is developing supplementary educational and publications programs. Funds for the Institut Sino-Sovietique have been for research on internal developments within these countries and among their allies. The conference sponsored by the Portuguese UGT covered the policies of the United States and various Latin American and European countries, as well as those of private groups like labor, toward developments in Central America. Assistance to the Brussels-based Polish Committee representing Solidarity is for use by Solidarnosc in ways it finds possible and consistent with Endowment purposes. The Committee has informed us that some FTUI funds designated for Solidarnosc have indeed been transferred into Poland but that specific information to be provided under the terms described above is not now available. Other funds have been used in Brussels to support the Committee's work. The Committee in Support of Solidarity has used its funds to publish four briefs on activities in Poland, a report by the Helsinki Committee in Poland, a special report to the United Nations Human Rights Commission, and a comprehensive list of political prisoners. It has also collected considerable documentation from inside Poland and maintains a vast network of information contacts. A small amount of funds was also used to send a group of Italian textile worker leaders to an ITS Congress at which their pro-democratic viewpoint was strongly expressed.

Actual Results/Accomplishments

A major international conference on Central America was held in Lisbon, Portugal at the end of June, 1984. The Soviet Labour Review has been able to continue bi-monthly publications and to pay for consulting and research services provided by other publications. The Institut Sino-Sovietique has engaged in a number of research efforts involving travel and contact meetings. The committee representing Solidarity in Brussels has channeled some funds to Solidarity in Poland and has disseminated Solidarity materials to the world trade union movement. The Committee in Support of Solidarity in New York has put out a number of publications documenting abuses of trade union rights in Poland.

Line Items

Salaries
Space & Utilities
Supplies & Equipment
Communications & Postage
Travel & Per Diem
Consultant's Fees & Expenses
Benefits, Allowances & Taxes
Contractual Services
Other Direct Costs
Support Grants

TOTAL

Modifications of Original Plans: European Region

Some European projects will be carried out well into the next fiscal year. For example, the conference to be sponsored by the Labor Committee for Transatlantic Understanding will not be held until January 1985. Planning for the exchange program for unionists active in cultural activities has been slowed for organizational reasons. The IFFTU project has also experienced some delays. Finally, the Labor Committee on Pacific Affairs, which is directly administered by FTUI and thus could have been discussed in this section along with other programs directly administered by FTUI but was included in the reporting on Asia because it is in the Pacific Basin. In the future, it will be reported on under the Europe headings.

Free Trade Union Institute
815 Sixteenth Street, N.W. • Washington, D.C. 20006
202/637-5060

OFFICERS
LANE KIRKLAND
President
THOMAS R. DONAHUE
Secretary-Treasurer
EUGENIA KEMBLE
Executive Director

RECEIVED
FEB 26 1985

February 15, 1985

Mr. Carl Gershman
President
National Endowment for Democracy
1156 15th Street, N.W.
Suite 304
Washington, D.C. 20005

Dear Carl:

Enclosed is a report from the Free Trade Union Institute covering the quarter October 1, 1984 through December 1, 1985. We are quite excited by the substance and success of many of these activities and trust that you and the Endowment Board will be as well.

If you have any questions or need further clarification on anything described here please let me know.

Sincerely,

Eugenia Kemble

Eugenia Kemble
Executive Director

BOARD OF DIRECTORS
MARVIN J. BOEDE • SOL C. CHAIKIN • JOHN DeCONCINI • FRANK DROZAK • THOMAS W. GLEASON
JAMES E. HATFIELD • ALVIN E. HEAPS • ALBERT SHANKER
IRVING BROWN *Director, Department of International Affairs, AFL-CIO*

D. Europe

Programs begun with FY '84 funds approved by the Endowment Board fall into four of the six Endowment purpose areas as follows:

- * Institution-building support to democratic trade unions and to international trade secretariats and to trade union-like organizations of professors and intellectuals, particularly in instances where anti-democrats have propaganda and organizational advantages.
- * Support for exchange efforts tied to long-range institution-building perspectives, particularly in the field of trade unionists in the cultural field.
- * Support for training and civic education programs designed to shore up union and ITS structures, and to combat anti-democratic organizations and propaganda.
- * Enhancement of democratic pluralism through support for research organizations and think tanks that concentrate on information needed to support democratic trade unionism and to expose the efforts of its enemies. In some instances, these may involve support for seminars, and other events that engage unionists in policy discussions on how to promote trade union democracy throughout the world.

The following report will examine these categories in terms of the specific activities that relate to each one. It must be noted here that some funds budgeted for Europe in some categories have been transferred to other projects in accordance with the Endowment's notification procedure. Projects covered by this report are implemented in France, Portugal, the United Kingdom, Spain and Poland.

This section reports only on those projects in which significant program activity was undertaken in the October-December 1984 quarter.

1. Institution-building

Project/Program Title

To provide support for the basic structures of trade union and trade union-like organizations.

Project/Program Objectives

* To assist key democratic trade unions and trade union-like organizations in Europe to maintain basic structures necessary to essential functioning.

* To help key unions and other organizations expand their membership base and, through training and organizing efforts, to amplify the organizational structures necessary for servicing members.

Description of Actual Project Activities

Most of the funds in this category continued to subsidize organizing and education staffs. In the case of one trade union central, the Uniao Geral de Trabalhadores of Portugal, funds support organizers in various trade sectors such as textiles, agriculture, public service, etc. In another, the French Force Ouvriere, they service and organize members across more general organizational lines. The French-based professors and students project has continued with a seminar program of democratic education and has disseminated publications and posters. Funding has been used for essential staffing, office rent and the like. The French professors group also used FTUI funds to subsidize these activities within a suborganization of its overall operation that concentrates on research and publications.

The Spanish regional union, the Basque ELA-STV, is implementing a comprehensive training program for its activists and organizers that is specifically geared to their level of union responsibility and their level of experience as union officials.

The International Federation of Free Teachers' Unions (IFFTU) an international democratic movement of teachers organizations, sponsored a three-day conference in Toronto, Canada on "Strategies for Developing Democratic Teachers Organizations". The conference provided opportunities for teacher leaders from Latin America, Asia and Africa to explain the realities of their respective struggles and to establish a closer working relationship between Third World teachers organizations and their counterparts in the developed world. A second objective of the conference was to discuss strategies for programs in developing nations to combat the influence of extremist political groups.

Actual Results/Accomplishments

In the Basque and Portuguese institution-building efforts, trade union organizers are working in the field organizing workers and in some cases doing important political follow-up work in the aftermath of key administrative union elections. The Portuguese UGT has reported continued success in a number of sectors, particularly in agriculture, mining, and the metal, fishing, chemicals, and textiles industries. The Basque union also is conducting seminars for union leaders and activists. The French trade union federation continues to show impressive results in membership growth and in broad public support. The French professors and students organization continues with a publication effort aimed at students and trade unionists as well as with educational seminars. The IFFTU conference enabled leaders of teachers organizations to evolve strategies to provide mutual aid, promote democratic values, and counter anti-democratic extremism.

Line Items	Budget	Expenditures
Salaries	293,841	134,235
Space & Utilities	18,571	2,265
Supplies & Equipment	159,143	12,648
Communications & Postage	46,000	- 0 -
Travel & Per Diem	4,000	34,632
Consultants' Fees & Expenses	- 0 -	- 0 -
Benefits, Allowances & Taxes	72,000	- 0 -
Contractual Services	- 0 -	- 0 -
Other Direct Costs	45,000	- 0 -
Support Grants	12,000	12,000
TOTAL	$ 650,555	$ 195,780

2. Exchanges

Project/Program Title

To provide support for exchange efforts between democratic trade unions aimed at strengthening their cooperation within specific trade sectors.

Project/Program Objectives

* To strengthen contact and cooperation among trade unions representing European and U.S. workers in the cultural and entertainment professions in the hope that such contact may lead to strengthened international cooperation within their trade sector.

Description of Actual Project Activities

The AFL-CIO's Department of Professional Employees sponsored a visit to the United States by trade union leaders representing workers from the entertainment and cultural fields from Europe.

Actual Results/Accomplishments

A full report of that exchange program, which took place in mid-November will be provided by the Labor Institute for Human Enrichment of the Department of Professional Employees and reported on fully in the next quarterly report.

Line Items	Budget	Expenditures
Salaries	- 0 -	- 0 -
Space & Utilities	- 0 -	- 0 -
Supplies & Equipment	- 0 -	- 0 -
Communications & Postage	- 0 -	- 0 -
Travel & Per Diem	10,000	- 0 -
Consultants' Fees & Expenses	- 0 -	- 0 -
Benefits, Allowances & Taxes	- 0 -	- 0 -
Contractual Services	- 0 -	- 0 -
Other Direct Costs	- 0 -	- 0 -
Support Grants	- 0 -	- 0 -
TOTAL	$ 10,000	- 0 -

3. Training and Civic Education

Project/Program Title

To support key democratic trade union centrals and trade union-like university organizations in educating their membership and others on democratic trade union ideals and on issues related to their basic purposes.

Project/Program Objectives

- To support the publication of documents on a variety of union and political issues for use with union memberships, to recruit new members and to clarify positions to the larger general public.
- To provide support that enables trade union staffs to circulate widely among members, to hold special meetings and seminars, etc. which involve pro-democratic education.

Description of Actual Project Activities

In the case of two trade union centrals, the Portuguese UGT and the French FO, staff funded by FTUI continue to conduct educational meetings and seminars. The French professors and students organization has published and distributed a pamphlet series promoting democratic values and has held educational seminars and conferences. The regional Basque union has sponsored a number of seminars.

Actual Results/Accomplishments

New, sector-specific training has been developed by the Portuguese UGT trade union central, in the textile, public service, teachers, press, transportation, food, energy, glass, building, agriculture, metal, chemical, fishing, mining, and communications sectors. More general union-related education has been provided, as well, including the preparation for, and implementation of, union- and union-related elections. The French union-like organization of professors and students has continued to organize educational meetings for students and academics.

Line Items	Budget	Expenditures
Salaries	214,375	115,000
Space & Utilities	- 0 -	- 0 -
Supplies & Equipment	8,000	- 0 -
Communications & Postage	1,000	- 0 -
Travel & Per Diem	3,000	- 0 -
Consultants' Fees & Expenses	3,000	- 0 -
Benefits, Allowances & Taxes	60,000	- 0 -
Contractual Services	- 0 -	- 0 -
Other Direct Costs	- 0 -	- 0 -
Support Grants	135,000	- 0 -
TOTAL	$ 424,375	$ 115,000

4. Democratic Pluralism

Project/Program Title

To assist a number of organizations, including trade union research organizations, think tanks and publications that have the promotion of democracy and democratic trade unions as their mission.

Project/Program Objectives

* To aid in the collection and dissemination of information on the practices and policies of totalitarian governments against democratic trade unions.

* To assist unions whose aspirations are democratic and independent to resist totalitarian government pressure.

* To provide support to publications concentrating on trade union and labor practices that may stifle democratic development.

* To help democratic unions committed to democracy to explore international policies that may affect free unionism worldwide.

Description of Actual Project Activities

In the case of the Soviet Labour Review, funds have continued to support a bi-monthly publication that reviews Soviet legal and political developments related to labor practices. The Institut d'Histoire Sociale is producing Est & Ouest, a publication on East-West issues that affect trade unions and has developed supplementary educational and publications programs. Funds for the Institut Sino-Sovietique continue to support research on internal developments within these countries and among their allies. Assistance to the Brussels-based Polish Committee representing Solidarity is for use by Solidarnosc in ways it finds possible and consistent with Endowment purposes. The Committee has informed us that some FTUI funds designated for Solidarnosc have indeed been transferred into Poland. Other funds have been used in Brussels to support the Committee's work of publicizing the independent trade union struggle in Poland. The U.S.-based Committee in Support of Solidarity (CSS) has used its funds to translate, publish and disseminate materials on the Solidarity movement and on human rights in Poland. Among recent efforts are: a report by the Helsinki Committee in Poland, a special report to the United Nations Human Rights Commission, and an updated, comprehensive list of Polish political prisoners. The CSS continues to collect considerable documentation from inside Poland and maintains a vast network of contacts.

Actual Results/Accomplishments

The Soviet Labour Review has been able to continue bi-monthly publications aimed at a trade union audience and to pay for consulting and research services. The Institut Sino-Sovietique has engaged in a number of research efforts involving travel and meetings. The committee representing Solidarity in Brussels has continued channeling funds to Solidarity in Poland and has disseminated Solidarity materials to the world trade union movement. The Committee in Support of Solidarity in New York has completed and published a number of studies documenting abuses of trade union rights in Poland.

Line Items	Budget	Expenditures
Salaries	41,881	25,910
Space & Utilities	1,000	- 0 -
Supplies & Equipment	119,000	16,312
Communications & Postage	24,951	- 0 -
Travel & Per Diem	12,800	5,417
Consultants' Fees & Expenses	35,000	14,020
Benefits, Allowances & Taxes	6,444	- 0 -
Contractual Services	20,000	- 0 -
Other Direct Costs	32,387	- 0 -
Support Grants	258,666	68,085
TOTAL	$ 552,129	$129,744

Modifications of Original Plans: European Region

Some previously approved European projects will be implemented in the next quarter. For example, the "training and civic education" conference to be sponsored by the Labor Committee for Transatlantic Understanding will not be held until the spring of 1985. Funds which were budgeted for support for the Labor Committee for Pacific Affairs, have not been disbursed but have been earmarked for the activities of the Soviet Labour Review and the Institut Sino-Sovietique. Que Me, a journal published by democratic Vietnamese exiles, which focuses on violations of human rights, trade union rights and worker rights in Viet Nam, will be supported with funds for "democratic pluralism" activities in future quarters.

RECEIVED
AUG 2 5 1985

FY 1985

Introduction

This report is the first of the Free Trade Union Institute's quarterly reports to the National Endowment for Democracy for FY'85 programs. It covers activities in the first six months for which fiscal year 1985 funds were available -- January - June 1985. Because few projects were actually undertaken in the January - March quarter, this is the first detailed report. All activities discussed herein were funded under the terms of the Free Trade Union Institute's proposals to the Endowment's Board, passed December 4th and March 1st 1985 and the grant agreements attached to them.

At the suggestion of the National Endowment for Democracy this report will follow a modified version of the format outline in Attachment E to the basic grant agreement accompanying FTUI's proposal of December 4th, 1984. The quarterly report will combine the reporting sections on "Description of Actual Project Activities" and "Actual Results/Accomplishments" into one category now titled "Project Activities and Accomplishments". The report will continue to adhere to reporting by region under the headings: Europe, Latin America, Asia, and Africa. Line item reporting will correspond to the regional project/category format. Additionally, within each project category, programs will be sub-divided on a country-by-country basis.

France

Assistance was provided to a French think-tank to support research on internal developments within the Communist countries and among their allies.

A French professors and student organization was supported in the publication and distribution of a pamphlet series on democratic values. Other brochures focused on such topics as the Leninist concept of work and trade unions, the politicization of UNESCO, and the rise of "neutralism" in Europe. Additionally, a periodical, "Atlanticist Solidarity" was published on a monthly basis. In all, tens of thousands of brochures, newsletters, and posters have been distributed in the last quarter. Additional educational seminars have been held for French students and younger workers.

Poland

Assistance to Solidarity exiles in Europe enable the Solidarity trade union movement to communicate with its members and to collect reliable first-hand information on the state of worker rights and human rights in Poland.

United Kingdom

The *Soviet Labour Review* was supported in collecting basic data on worker rights and labor issues in the USSR. The journal was widely distributed to Western democratic labor leaders.

United States

Funds provided to the New York-based Committee in Support of Solidarity supported the regular publication of a monthly

Free Trade Union Institute
815 Sixteenth Street, N.W. • Washington, D.C. 20006
202/637-5060

RECEIVED
AUG 23 1985

OFFICERS
LANE KIRKLAND
President
THOMAS R. DONAHUE
Secretary-Treasurer
EUGENIA KEMBLE
Executive Director

August 15, 1985

Carl Gershman
President
The National Endowment for Democracy
1156 15th Street, N.W.
Suite 304
Washington, D.C. 20005

Dear Carl,

Enclosed are the Free Trade Union Institute's quarterly reports for programs using fiscal year FY'84 and FY'85 funds for the period covering April 1, 1985 to June 30, 1985. We have sent them to you as soon as has been mechanically possible, given the difficulties of compiling information originating overseas. We have explained these problems to you before.

You and I have discussed suggested changes in the format of the reports informally, and we are moving in a direction that more closely accommodates your wish for simplification. You will notice this particularly in the FY'85 report where plans for each country appear in only one category. For the FY'84 report we have not made drastic changes but have dropped the background section and consolidated the two sections on "activities" and "results/accomplishments". We had originally separated these out in an attempt to follow your report outline, Attachment E. We did not, however, consolidate all the categories into country reports because of our sense that it was necessary to have the budget reports match the narrative reports. As you know it is our plan to continue our past practice in reporting budgets. I hope we can discuss this further before we make additional changes.

Sincerely,

Eugenia

Eugenia Kemble
Executive Director

EK/amc

BOARD OF DIRECTORS
MARVIN J. BOEDE • SOL C. CHAIKIN • JOHN DeCONCINI • FRANK DROZAK • THOMAS W. GLEASON
JAMES E. HATFIELD • ALVIN E. HEAPS • ALBERT SHANKER
IRVING BROWN, Director, Department of International Affairs, AFL-CIO

D. Europe

Programs begun with FY '84 funds approved by the Board fall into four of the six Endowment purpose areas as follows:

- Institution-building support to democratic trade unions and to international trade secretariats and to trade union-like organizations of professors and intellectuals, particularly in the instances where anti-democrats have propaganda and organizational advantages.
- Support for exchange efforts tied to long-range institution-building perspectives, particularly among trade unionists in the cultural field.
- Support for training and civic education programs designed to shore up union and ITS structures, and to combat anti-democratic organizations and propaganda.
- Enhancement of democratic pluralism through support for research organizations and think tanks that concentrate on information needed to support democratic trade unionism and to expose the efforts of its enemies. In some instances, these may involve support for seminars, and other events that engage unionists in policy discussions on how to promote trade union democracy throughout the world.

The following report will examine these categories in terms of the specific activities that relate to each one. Projects covered in this quarterly report are implemented in Belgium, France and the United Kingdom.

This section reports only on those projects in which significant program activity was undertaken in the April-June 1985 quarter.

1. Institution-building

Project/Program Title

To provide support for the basic structures of trade unions and trade union-like organizations.

Project/ Program Objectives

- To assist key democratic trade unions and trade union-like organizations in Europe to maintain basic structures necessary to essential functioning.
- To help key unions and other organizations expand their membership base and, through training and organizing efforts, to amplify the organizational structures necessary for servicing members.

Project Activities and Accomplishments

Although program activities have been completed in this category, final financial reports have not yet been received from a French trade unionists organization and from the French-based professors and students project.

Line Items	Budget	Expenditures
Salaries	$ 293,841	$ 275,622
Space & Utilities	18,571	10,119
Supplies & Equipment	159,143	84,842
Communications & Postage	46,000	22,051
Travel & Per Diem	4,000	82,708
Consultants' Fees & Expenses	-0-	-0-
Benefits, Allowances & Taxes	72,000	41,055
Contractual Services	-0-	-0-
Other Direct Costs	45,000	-0-
Support Grants	12,000	12,000
TOTAL	$ 650,555	$ 528,397

2. Exchanges

Project/Program Title

To provide support for exchange efforts between democratic trade unions aimed at strengthening their cooperation within specific trade sectors.

Project/Program Objectives

* To strengthen contact and cooperation among trade unions representing European and U.S. workers in the cultural and entertainment professions in the hope that such contact may lead to strengthened international cooperation within their trade sector.

Project Activities and Accomplishments

The AFL-CIO's Department of Professional Employees sponsored a visit to the United States by trade union leaders representing workers from the entertainment and cultural fields from Great Britain.

The major subject of the meeting was union, government, and other efforts which affect the flow of professional legitimate stage actors between the U.S. and the United Kingdom. The object was to agree on a definition of parity and the means of achieving it. This issue has been a source of disagreement between U.S. and British unions and has acted as an obstacle to closer cooperation. The meeting was attended by the principal officers of British Actors Equity, officers of Actors' Equity (USA) and representatives of the Department of Professional Employees, AFL-CIO. The program consisted of five plenary sessions and additional meetings and "caucuses" to promote personal contacts between the participants. Topics discussed included: exchange of information between the two unions concerning membership, organization, policies, goals and the exchange of actors and unit companies. A plenary session devoted to discussion of immigration laws and procedures in the U.S. and Great Britain included the participation of the British Embassy's Labor Counselor and the Staff Director of the Judiciary Committee of the U.S. House of Representatives. Representatives of the U.S. and British arts communities, the National Endowment for the Arts and the U.S. Information Agency participated as resource persons during the deliberations.

The meetings led to a series of concrete measures aimed at enhancing cooperation between these two democratic trade union groupings. These include 1) regularized annual meetings; 2) quarterly transmittal of data on the exchange of actors and unit companies between the U.S. and the U.K.; 3) an effort to adjust any imbalances in exchanges on a yearly basis; 4) preparation by each union of information on income tax laws, housing, health insurance, etc. in their country; 6) mutual provision of union services to visiting foreign actors and unit companies.

Line Items	Budget	Expenditures
Salaries	$ -0-	$ -0-
Space & Utilities	-0-	-0-
Supplies & Equipment	-0-	-0-
Communications & Postage	-0-	-0-
Travel & Per Diem	10,000	9,054
Consultants' Fees & Expenses	-0-	-0-
Benefits, Allowances & Taxes	-0-	-0-
Contractual Services	-0-	-0-
Other Direct Costs	-0-	-0-
Support Grants	-0-	-0-
TOTAL	$ 10,000	$ 9,054

3. Training and Civic Education

Project/Program Title

To support key democratic trade union centrals and trade union-like university organizations in educating their membership and others on democratic trade union ideals and on issues related to their basic purposes.

Project/Program Objectives

- To support the publication of documents on a variety of union and political issues for use with union memberships, to recruit new members and to clarify positions to the larger general public.
- To provide support that enables trade union staffs to circulate widely among members, to hold special meetings and seminars, etc. which involve pro-democratic education.

Project Activities and Accomplishments

The Labor Committee for Transatlantic Understanding held a conference in Brussels in cooperation with the Labor Desk of the U.S. Youth Council. In all over 35 U.S. and West European labor leaders participated in the two-day conference on the Western Alliance and its role in protecting fundamental human rights and democratic values. Speakers at the conference included Dr. Iain Elliott, of the Times of London; Ambassador David Abshire; Joseph Godson; AFL-CIO International Affairs Director Irving Brown; Alan Lee Williams; and a British Member of Parliament, Dr. John Gilbert.

Although FY'84-funded programs for the French-based democratic unionists and professors and students organizations have been completed, full financial reports have not yet been received.

Line Items	Budget	Expenditures
Salaries	$ 214,375	$ 123,875
Space & Utilities	-0-	-0-
Supplies & Equipment	8,000	-0-
Communications & Postage	1,000	1,759
Travel & Per Diem	3,000	-0-
Consultants' Fees & Expenses	3,000	3,628
Benefits, Allowances & Taxes	60,000	-0-
Contractual Services	-0-	-0-
Other Direct Costs	-0-	-0-
Support Grants	135,000	55,923
TOTAL	$ 424,375	$ 185,185

4. Democratic Pluralism

Project/Program Title

To assist a number of organizations, including trade union research organizations, think tanks and publications that have the promotion of democracy and democratic trade unions as their mission.

Project/Program Objectives

- To aid in the collection and dissemination of information on the practices and policies of totalitarian governments against democratic trade unions.
- To assist unions whose aspirations are democratic and independent to resist totalitarian government pressure.
- To provide support to publications concentrating on trade union and labor practices that may stifle democratic development.
- To help democratic unions committed to democracy to explore international policies that may affect free unionism worldwide.

Project Activities and Accomplishments

In the case of the Soviet Labour Review, funds have continued to support a bi-monthly publication that reviews Soviet legal and political developments related to labor practices. The publication is used to inform the international democratic labor movement of Soviet labor rights abuses. The Institut d' Histoire Sociale is producing Est & Ouest, a publication on East-West issues that affect trade unions and has maintained supplementary educational and publications programs. Funds for the Institut

Sino-Sovietique continued to support research in internal developments within China and the USSR and among their allies.

A French-based Vietnamese democratic organization supported by FTUI, provides information on the situation in Vietnam through press campaigns, the publication of a regular information bulletin in English and French, through the publication of separate reports and studies, and through the maintaining of a network of contacts inside Vietnam. In the last two quarters, (a January-March report was not received in time for inclusion in the last quarter's narrative) the Vietnamese organization published a 100-page issue of its magazine devoted to December, 1984 trials in Ho Chi Minh City. The organization's President also appealed to the French Prime Minister to intervene in behalf of Vietnamese dissidents condemned to death. A great deal of French press attention was devoted to this campaign. In April, a 500-page report on human rights and trade union rights violations in Vietnam was published. The report based on first-hand testimony, was filed as an official indictment of the government of the Socialist Republic of Vietnam before the United Nations Commission for Human Rights. The study has been produced in English and in French and has been summarized in a 40-page document of extracts which has been circulated to various human rights organizations. In May, the organization organized a press conference in the U.S. in conjunction with Freedom House.

Line Items	Budget	Expenditures
Salaries	$ 41,881	$ 39,735
Space & Utilities	1,000	-0-
Supplies & Equipment	119,000	19,312
Communications & Postage	24,951	2,962
Travel & Per Diem	12,800	7,149
Consultants' Fees & Expenses	35,000	40,000
Benefits, Allowances & Taxes	6,444	501
Contractual Services	20,000	-0-
Other Direct Costs	32,387	34,000
Support Grants	258,666	273,131
TOTALS	$ 552,129	$ 416,790

I. Introduction

This report is the second FY '85 quarterly report from the Free Trade Union Institute to the National Endowment for Democracy. It covers programs operating in the period July-September, 1985 for which FY '85 funds were available. Because FY 1985 funds will be spent subsequent to the September 30th end-of-fiscal-year date, the report will not cover the expenditures for all FY 1985 funds. All activities discussed here were funded under the terms of the Free Trade Union Institute's proposals to the Endowment's Board passed December 4, 1984, March 1, 1985, June 7, 1985 and the letter contract and/or grant agreements attached to them.

This report will follow a modification of the format outline in Attachment E to the basic, all-inclusive grant agreement accompanying FTUI's December, 1984 proposal. Attachment E is intended to cover the March 1, 1985 and June 7, 1985 submissions as well.

It reflects the framework of the proposal which defines "each project as a category in terms of the purposes of the National Endowment for Democracy Act." These projects will be discussed by region under the headings: Europe, Asia, Africa and Latin America. The line item reporting will also correspond to the regional and project/category format.

Each region, then, will be discussed in terms of six potential project categories as defined below.

D. Europe--Administered by the Free Trade Union Institute.

Programs funded with FY ' 85 funds fall into four of the six Endowment purpose areas as follows: 1) institution-building; 2) exchanges; 3) training and civic education; and 4) democratic pluralism.

Contingency "special project funds" approved by the NED also have been disbursed for two short-term projects which were reported on in the April-June, 1985 quarterly report.

1. Institution-building

Project/Program Title

To provide support for the basic structures of trade unions and international trade secretariats.

Project/Program Objectives

* To assist key democratic trade unions and ITS in Europe to maintain basic structures necessary to essential functioning.

* To help key unions and other organizations expand their membership base and, through training and organizing efforts, to amplify the organizational structures necessary for servicing members.

Descriptions of Actual Project Activities

Assistance to democratic trade unions in France in the period between July and September to continue to support membership services and organizing efforts. Educational activities for rank-and-file unionists also were supported. Some assistance has been offered by the union to Eastern European exiles, as well.

In this quarter funds were used to support organizing and education efforts of the Uniao Geral de Trabaljadores (UGT) of Portugal. UGT organizers are active in various trade sectors such as textiles, agriculture, public services, etc., complementing similar efforts reported on in the last fiscal year. Organizers are working in the field and are involved in important political education in democratic values. Additionally, union organizers continue to provide membership services to the rank-and-file.

Actual Results/Accomplishments

Support for democratic French unionists has helped to support increased educational and organizing activities and support for exiles now living in France. The unionists continue to show impressive results in broad public support.

The Portuguese UGT faces a strong, well-financed communist labor federation in a contest for support of Portugal's workers. The UGT has been enabled to make further gains in organizing and education efforts, and to erode Communist support.

Line Items	Budget	Expenditure
Salaries	$ 628,510	$ 212,000
Space & Utilities	62,910	0
Supplies & Equipment	38,744	0
Communications & Postage	0	0
Travel & Per Diem	155,950	0
Consultants' Fees & Expenses	58,045	0
Benefits, Allowances & Taxes	116,200	0
Contractual Services	0	0
Other Direct Costs	49,550	0
Support Grants	35,000	0
TOTAL	$ 1,144,909	$ 212,000

2. Exchanges

Project/Program Title

American-European trade union exchanges.

Project/Program Objectives

* To strengthen existing ties between American and European trade unionists, particularly in relation to policy questions bearing on the future of democracy and in relation to the carrying out of other Endowment programs.

Description of Actual Project Activities

In the reporting period, the executive director of the AFL-CIO Department of Public Employees traveled to Switzerland to participate in a 5-day meeting of the leadership of the Postal, Telegraph, and Telephone International (PTTI)--the Communications Workers International Trade Secretariat.

Actual Results/Accomplishments

A U.S. trade union representative was given the opportunity to participate in an important meeting with representatives of the communications workers international trade secretariat--the PTTI. PTTI is involved in Free Trade Union Institute-supported programs.

Line Items	Budget	Expenditure
Salaries	$ 0	$ 0
Space & Utilities	0	0
Supplies & Equipment	0	0
Communications & Postage	0	0
Travel & Per Diem	86,005	41,988
Consultants' Fees & Expenses	0	0
Benefits, Allowances & Taxes	0	0
Contractual Services	0	0
Other Direct Costs	0	0
Support Grants	0	0
TOTAL	$ 86,005	$ 41,988

3. Training and Civic Education

Project/Program Title

Trade union education for the regional Basque union (ELA-STV).

Project/Program Objectives

- To provide support that enables trade union staffs and representatives to upgrade their own skills through special education and training programs.

Description of Actual Project Activities

Assistance in this quarter continued to be provided to the principal democratic trade union federation in the Basque region of Spain. The union implemented an extensive training program for its permanent staff and union activists. Week-long training sessions for 30 permanent staff focused on labor disputes and arbitration, mercantile law, writing and communication skills. Six-day training sessions for approximately 150 rank-and-file activists included such topics as "trade union freedom", "worker rights", "labor legislation", and "strategies for negotiation."

Actual Results/Accomplishments

The educational efforts supported by FTUI have contributed to the enhanced democratic and basic skills of democratic union activists in a region beset by extremism and threatened by terrorism.

Line Items	Budget	Expenditure
Salaries	$ 0	$ 0
Space & Utilities	0	0
Supplies & Equipment	121,717	0
Communications & Postage	0	0
Travel & Per Diem	0	0
Consultants' Fees & Expenses	0	0
Benefits, Allowances & Taxes	0	0
Contractual Services	0	0
Other Direct Costs	0	0
Support Grants	149,970	106,258
TOTAL	$ 271,687	$ 106,258

4. Democratic Pluralism

Project/Program Title

To assist a number of organizations, including trade unions, research organizations, think tanks and publications that have the promotion of democracy and democratic trade unions as their mission.

Project/Program Objectives

- To aid in the collection and dissemination of information on the practices and policies of totalitarian governments against democratic trade unions.
- To assist unions whose aspirations are democratic and independent to resist totalitarian government pressure.
- To provide support to publications concentrating on trade union, government and labor practices that may stifle democratic development.
- To support studies on the relationship between trade unions and political parties.
- To support studies on the relationship between the unions and political parties.

Description of Actual Project Activities

Assistance was provided to democratic Czech exiles to publish a quarterly magazine dealing with trade union and human rights issues and intended for distribution within Czechoslovakia. One issue of the quarterly was funded in this period. The periodical has been able to maintain increases in its size, the number of articles published, and circulation within Czechoslavakia.

Assistance was provided to a French think-tank to support research on internal developments within the Communist countries and among their allies.

A French professors and students organization was supported in the publication and distribution of a pamphlet series on democratic values. Books and brochures distributed in this quarter focused on the Leninist concept of work and trade unions, the politicization of UNESCO, and the rise of "neutralism" in Europe. Additionally, a periodical, "Atlantic Solidarity" was published on a monthly basis. In all, tens of thousands of brochures, newsletters, and posters have been distributed in the last quarter. Additional educational seminars were held for French students and younger workers. A major focus in the last quarter was a series of leaflets and posters on human rights in the USSR.

Assistance to Solidarity exiles in Europe enabled the Solidarity trade union movement to communicate with its members and to collect reliable first-hand information on the state of workers rights and human rights in Poland. Assistance has been transmitted to the Solidarity movement inside Poland to aid in the publication of uncensored trade union newspapers. There are currently over 600 such periodicals that are published in Poland. Support was provided through the ICFTU to fund a specialist on Poland for the international labor confederation.

The Soviet Labour Review was supported in collecting basic data on worker rights and labor issues in the USSR. The journal was widely distributed to Western democratic labor leaders and in the last quarter was supported in increasing its circulation base.

Funds provided to the New York-based Committee in Support of Solidarity supported the regular publication of a monthly 32-36 page bulletin of translations from the Polish underground trade union press and helped maintain an updated list of Polish political prisoners. A major focus in this quarter was the Committee's translation and publication of the Fourth Report on Human and Civil Rights in Polish People's Republic. The 70-page report issued by the Polish Helsinki Committee is the most comprehensive internal monitoring of human rights issues in Poland. The Committee also organized a petition drive among scholars and Nobel Prize laureates protesting recent Polish restrictions of academic freedom.

The New York-based League for Industrial Democracy has been supported in undertaking a further three months of research, gathering background material, and the analyzing and tabulating collected material on the relationship between socialist political parties and trade unions. An analysis has been completed on European unions and parties, a significant portion of research has been completed on unions from the South Pacific region, and in Latin America. Travel for first-hand interviews and contacts has led to the gathering of supplementary written materials. Work has begun on the organizing and outlining of a comprehensive study.

Actual Results/Accomplishments

Support continues to be provided to a journal which is distributed within Czechoslovakia in increasing numbers. Assistance to a French-based think-tank supports first-hand research on developments within the Soviet bloc. A professors and students organization continues with a publication and education program aimed at the French university system. That organization was assisted in focusing on Soviet human rights abuses in the reporting period. Research and a bi-monthly publication on workers and trade union rights in the USSR continues to be supported as does expansion of circulation of the Soviet Labour Review.

Recent studies indicate that Solidarity's underground has seen the further expansion of its underground press network. Solidarity representatives in the West and human rights organizations have been assisted in documenting Polish government abuses of human and trade union rights. Research on Soviet worker rights continues as does the publication of a bi-monthly journal. A study on the relationship between socialist political parties and trade unions has focused on Latin America. Progress has been made toward the writing and editing of a comprehensive study on this relationship.

Line Items	Budget	Expenditure
Salaries	$ 163,397	$ 61,629
Space & Utilities	33,633	10,826
Supplies & Equipment	282,480	199,734
Communications & Postage	162,854	58,835
Travel & Per Diem	63,056	28,470
Consultants' Fees & Expenses	86,400	850
Benefits, Allowances & Taxes	14,251	7,994
Contractual Services	13,300	1,092
Other Direct Costs	263,479	120,362
Support Grants	225,778	75,905
TOTAL	$ 1,308,628	$ 565,697

II. Administrative Costs

As indicated in the proposals passed by the Endowment Board, and as reported previously, the Free Trade Union Institute and the three regional labor institutes continue to maintain administrative costs at a low level. FTUI currently has three full-time and two part-time staff members funded under the NED Grant, in addition to an Executive Director whose salary and benefits are paid by the AFL-CIO directly. The three regional labor institutes have full-time and part-time staff members currently funded by the NED Grant.

Total administrative costs budgeted for FTUI are for fiscal year 1985. This total is an indirect cost total for the three regional institutes and an itemized amount for the Free Trade Union Institute headquarters., The following chart explains FTUI's expenditure of administrative funds. The three regional institutes have spent $126,963 of $1,608,290.

FTUI ADMINISTRATIVE COSTS

Line Items	Budget	Expenditure
Salaries	$ 175,700	$ 51,072
Space & Utilities	18,000	11,534
Supplies & Equipment	43,500	0
Communications & Postage	6,400	2,116
Travel & Per Diem	13,700	0
Consultants' Fees & Expenses	35,000	0
Benefits, Allowances & Taxes	79,100	0
Contractual Services	9,000	15,517
Other Direct Costs	21,400	2,285
Support Grants	0	0
TOTAL	$ 401,800	$ 82,524

FREE TRADE UNION INSTITUTE

SUMMARY OF FY '84 AND FY '85 PROGRAMS

NOVEMBER 1985

NOTE: In some cases, FY 1984 programs fell into more than one category. In FY 1985, all programs were placed into the category with the major emphasis. For the purposes of this summary, the programs were placed in the category chosen for FY 1985.

The figures included here reflect only those items for which receipts are available. Expenditures cover only up to September 30, 1985. The proportion of money advanced is much greater than is reflected in these figures.

French Democratic Education Project (FY '84 and FY '85)

1) Overview: Support to the Union National Inter-universitaire, an educational association of professors and students active in the French university system. A program of lectures and publications is funded.

2) Status: 17 books and pamphlets, a monthly newsletter and a bi-monthly magazine were supported, produced and distributed; posters also were issued. The FY '84 funds have been spent. FY '85 funds were due to be fully advanced by the first quarter of FY '86. The program has been temporarily suspended.

Frontlash - South Africa Program (FY '85)

1) Overview: Assistance to a youth arm of the AFL-CIO for a program aimed at building cooperation between student and youth groups in the U.S. and South Africa, with the goal of promoting the struggle against apartheid.

2) Status: The program was approved by the NED Board in September, 1985. No funds have as yet been advanced.

Institut d'Histoire Sociale (FY '84)

1) Overview: Support for research and publication of studies on the state of trade union freedoms and workers rights in Communist societies.

2) Status: All FY '84 funds were expended. The funds partially supported the publication of four issues of Etudes Sociales et Syndicales (Social and Labor Studies) and enabled it to be distributed to trade union leaders and opinion makers. Several brochures on trade union issues were produced and disseminated. The journal Est & Ouest (East and West) also is partially supported.

Institut Sino-Sovietique (FY '84 and FY '85)

1) Overview: Paris-based think-tank engaged in Soviet and Chinese studies. Research on trade union issues and human rights is funded.

Poland (FY '84 and FY '85)

1) Overview: Support for the Brussels-based "Coordinating Office of Solidarnosc Abroad", the principal Western representative of the Solidarity movement. Program includes collection of information on the labor movement in Poland and support for the Solidarity movement within Poland using channels in Europe.

2) Status: Assistance has been used to support dissemination of information on trade union rights inside Poland. Assistance to the underground Polish press continues to be provided.

Currently there are over 625 known pro-Solidarity publications published inside Poland, an increase over 1984. FY '84 funds are fully spent. All FY' 85 funds will be advanced by the end of the first quarter of FY '86.

Que Me (FY '84 and FY '85)

1) Overview: Support for a French-based publication of democratic Vietnamese exiles. Research and publications on violations of trade-union rights and human rights. Additional support for purchase of Vietnamese typesetting equipment.

2) Status: FY '84 assistance supported research and publicizing of human and labor rights violations in Vietnam. FY '85 funds have supported a newsletter and will fund modern typesetting equipment. FY '85 funds will be fully advanced by the second quarter of FY '86.

Soviet Labour Review (FY '84 and FY '85)

1) Overview: Support for a British-based publication on Soviet trade union and workers rights and on the dissident independent trade union movement in the USSR. Funding is provided for research and publication costs.

2) Status: FY '84 and FY '85 funds supported the regular publication of a bi-monthly periodical. FY '85 funds also have been used to expand the research on Soviet labor issues and to expand the periodical's distribution among Western opinion leaders, trade unionists, and human rights

Free Trade Union Institute
815 Sixteenth Street, N.W. • Washington, D.C. 20006
202/637-5060

OFFICERS
LANE KIRKLAND
President
THOMAS R. DONAHUE
Secretary-Treasurer
EUGENIA KEMBLE
Executive Director

RECEIVED
MAR 05 1986

March 5, 1986

Mr. Carl Gershman
President
National Endowment for Democracy
1156 15th Street, N.W.
Suite 304
Washington, DC 20005

Dear Carl:

Enclosed are Free Trade Union Institute evaluations on all continuation programs for which we are submitting a request for Fiscal Year 1986 funds. As we have discussed, we will be completing the rest of the evaluations soon and will send them on to you shortly.

Sincerely,

Eugenia Kemble

Eugenia Kemble
Executive Director

BOARD OF DIRECTORS
MARVIN J. BOEDE • SOL C. CHAIKIN • JOHN DeCONCINI • FRANK DROZAK • THOMAS W. GLEASON
JAMES E. HATFIELD • ALVIN E. HEAPS • ALBERT SHANKER
IRVING BROWN *Director, Department of International Affairs, AFL-CIO*

information inside Czechoslovakia. The journal's list of contributors reads like a "who's who" of Czech letters. The reported increase of the periodical's circulation inside Czechoslovakia is a testament not only to its increased financial support, but also to its popularity among Czechoslovak citizens who seek access to uncensored information.

6. Relation to Endowment Purposes

In breaking the Czech government's monopoly on information the program clearly coincides with the NED's legislative purpose of encouraging "free and democratic institutions throughout the world" and supporting "activities which promote individual rights and freedoms."

7. Financial Status

FY '85 funds were budgeted in the amount of $30,000. Funds will be fully disbursed as of early '86.

B. QUE ME

1. Introduction

The following evaluation of the Que Me, the Vietnamese Human Rights Organization, covers the period January, 1985 through September, 1985. Activities reported upon were funded by the Free Trade Union Institute with FY '84 and FY '85 funds from the National Endowment for Democracy.

2. Description of Funded Organization

Que Me ("Homeland", in Vietnamese) is a Paris-based publication and human rights organization, linked to the Association of Vietnamese Overseas. It commands support from a broad spectrum of the international human rights community for the accuracy of its reporting and research.

3. Program Focus

A major focus of the program is the funding of an English- and French-language bulletin on human and trade union rights and political issues in Vietnam. FTUI support for Que Me has enabled that organization to collect and publicize data on the violations of human rights, religious liberties and trade union rights in Vietnam. Additional support is intended to upgrade the organization's publications, through the provision of new typesetting equipment.

4. Program Description

The publication of a bulletin was delayed because of the preparation of a major report on "Human Rights in Vietnam". The first issue appeared in French at the end of 1985. A major focus of FTUI support was the preparation, publication, and distribution of a major study on human rights in Vietnam. The 70-page study was presented to the United Nations Human Rights Committee in May, 1985 on the occasion of the 10th anniversary of the end of the Vietnam War. A separate fifty-page press advisory also was prepared. The study was made public at a press conference in New York which received widespread international media coverage. Reports on the study and interviews with Que Me founder Vo Van Ai, appeared in Newsweek, the Wall Street Journal, the New York Tribune, the Los Angeles Times, Le Monde, L'Express, Liberation, Tribune de Geneve, Le Quotidien de Paris, and Le Point. Reuters wire service, likewise, reported on the study.

Additional funds helped support research for articles in Que Me's monthly Vietnamese-language magazine.

Initial inquiries have been made toward the purchase of needed Vietnamese typesetting equipment.

5. Evaluation

Que Me's research and publications activities are of a very high standard. The organization has won a reputation of credibility and accuracy for its factual reporting and documentation of human rights and worker rights abuses in Vietnam. The organization's press conferences and external activities give a high visibility to the state of human rights in Vietnam, an issue which is difficult to report because of the closed nature of Vietnam's communist society.

Although an English- and French-language bulletin was delayed because of the preparation of a major research report, the first issue of the French-language periodical appeared in the winter of 1985. The preparation of Que Me's major human rights study, however, was consonant with the broad purposes of the FTUI grant -- the promotion and dissemination of research on Vietnamese human rights and worker rights issues.

6. Relation to Endowment Purposes

In its research on human and labor rights violations in Vietnam, and in its attempts to report about such violations to the public, Que Me has fulfilled the NED's legislated purpose of support for "activities which promote the individual rights and freedoms (including internationally recognized human rights) which are essential to the functioning of democratic institutions."

7. Financial Status

FY '84 funds in the amount of $27,000 were fully disbursed by April, 1985. Of the $53,000 in FY '85 funds, $13,000 has been advanced as of December 31, 1985. The remainder of the FY '85 funds are for the Vietnamese typesetting equipment.

C. UNIAO GERAL DE TRABALHADORES (PORTUGAL)

1. Introduction

The following evaluation of a grant to the Portuguese General Workers Confederation (the Uniao Geral de Trabalhadores-UGT) covers the period April, 1984 through December, 1985. The activities reported herein were supported with FY '84 and FY '85 funds.

2. Description of Funded Organization

impact in improving the level of democratic awareness of its key staff, shop stewards, and other activists. The union has been better able to educate its members on its positions of support for the Western Alliance and on the suppression of human and trade union rights throughout the world. Improvements in addressing and mailing equipment have provided greater efficiency in helping the ELA/STV get its message out.

6. Relation to Endowment Purposes

The program has strengthened and built upon the AFL-CIO's relationship with a key union in a region beset by terrorism and extremism. In this regard, support to the ELA/STV reflects the NED's legislated purpose of "supporting the participation... of...labor in fostering cooperation with those abroad dedicated to the cultural values, institutions, and organizations of democratic pluralism".

7. Financial Status

All FY '84 funds in the amount of $150,000 and all FY '85 funds in the amount of $132,000 have been disbursed. A supplemental FY '85 allocation of $122,000 for address and mailing machinery has also been disbursed.

E. INSTITUT D'HISTOIRE SOCIALE

1. Introduction

The following evaluation of activities of the Institut d'Histoire Sociale covers the period April 1984 through September 1985. Activities reported upon were funded by the Free Trade Union Institute with FY '84 funds.

2. Description of Funded Organization

Founded by the noted scholar of Soviet studies, Boris Souvarine, the Paris-based Institut d'Histoire Sociale is the largest private French repository of documents on communism, the Soviet Union, and Russian revolutionary history. The Institute publishes a wide range of periodicals and conducts extensive research on trade union, East-West, and communist affairs. It sponsors colloquies with prominent French and West European intellectuals and scholars. IHS's board of directors spans the broad spectrum of democratic thought in France.

3. Program Focus

The major focus of support was the publication of a monthly journal entitled, Les Etudes Sociales et Syndicales. The periodical reports on and analyzes trade union developments in France. Additionally, research was supported on the International Labor Organization. Such research was published in the institute's monthly magazine, Est & Ouest.

4. Program Description

Articles on the ILO, the Soviet offensive against the ILO, and on the ILO's report on Poland were published in Est & Oest.

Six issues of the journal Les Etudes Sociales et Syndicales were funded. Additional funds covered editorial expenses. Les Etudes was well-received in the French press and attacked by the pro-communist press. Its reports and articles were cited and formed the basis of articles in Revue de la Politique Francaise, Le Monde, Le Figaro, Liaison Sociales, La Lettre Confederal, Syndicalisme CFTC, and the pro-Communist Le Peuple.

5. Evaluation

Both Est & Ouest and Les Etudes Sociales et Syndicales are well-respected periodicals which gain a great deal of attention in the French press. Contributors to these IHS periodicals in the last year have included Jean-Francois Revel, Branko Lazitch, and Michel Heller. The research on the ILO helped elucidate key issues in East-West trade union relations. Research on trade union developments in France was used by democratic trade union organizations in their efforts against anti-democratic communist-dominated labor organizations.

6. Relation to Endowment Purposes

Support to the Institut d'Histoire Sociale funded research on trade union developments, with special reference to communist-dominated trade unions in France. Another aspect of the program concentrated on issues confronting the International Labor Organization. The research helped in: "fostering cooperation with those abroad dedicated to the cultural values, institutions, and organizations of democratic pluralism." Support for research on the ILO focused, as well, on aspects of internationally recognized trade union rights.

7. Financial Status

FY '84 funds in the amount of $24,966 were fully disbursed by October, 1984. No FY '85 funds were allocated to the Institut d'Histoire Sociale because FY '84 funds were scheduled to last until December, 1985.

F. POLISH PROGRAMS

1. Introduction

The following evaluation of programs which seek to provide assistance to exiled representatives of the Polish Solidarity trade union movement and to the underground Solidarity movement inside Poland focuses on the period April 1984 through December, 1985.

It also includes an evaluation of a grant to the New York-based Committee in Support of Solidarity (CSS) covering the period May, 1985 through December, 1985. This project was supported with FY '85 funds.

2. Description of Funded Organization

Support was provided to the Brussels based "Coordinating Office of Solidarnosc Abroad," the principal Western representative of the Solidarity movement. The office has been designated as the official Western representative for the Temporary Coordinating Commission, Solidarity's national underground leadership. The "Office" enjoys the support of both the International Confederation of Free Trade Unions and the

Free Trade Union Institute
815 Sixteenth Street, N.W. • Washington, D.C. 20006
202/637-5060

OFFICERS
LANE KIRKLAND
President
THOMAS R. DONAHUE
Secretary-Treasurer
EUGENIA KEMBLE
Executive Director

FEB 10 1986

REPORT TO THE NATIONAL ENDOWMENT FOR DEMOCRACY BOARD
ON PROGRAMS FUNDED IN FRANCE
BY THE
FREE TRADE UNION INSTITUTE

January 27, 1986

BOARD OF DIRECTORS
MARVIN J. BOEDE • SOL C. CHAIKIN • JOHN DeCONCINI • FRANK DROZAK • THOMAS W. GLEASON
JAMES E. HATFIELD • ALVIN E. HEAPS • ALBERT SHANKER
IRVING BROWN *Director, Department of International Affairs, AFL-CIO*

CONTENTS

I. INTRODUCTION

II. SCOPE OF THE ENDOWMENT CONCEPT AND PURPOSES

III. FTUI PROPOSAL AND REPORTING PRACTICES AND ENDOWMENT POLICY; CONGRESSIONAL INFORMATION REQUESTS

IV. THE ROLE OF THE PRESS; PRESS ISSUES HERE AND ABROAD

V. HISTORY OF AFL-CIO RELATIONSHIPS WITH THE GRANTEES IN FRANCE

VI. UNION NATIONALE INTER-UNIVERSITAIRE (UNI)

VII. PROGRAMS IN DEVELOPED DEMOCRACIES; POLITICAL ACTIVITY, POLITICAL RIGHTS

VIII. PROGRAM DESCRIPTIONS AND EVALUATIONS

IX. CONCLUSIONS

X. APPENDICES

I. INTRODUCTION

Beginning in late October offices of both the Free Trade Union Institute (FTUI) and the National Endowment for Democracy (NED) became aware that press stories on FTUI's programs in France were being prepared for publication in both the United States and France. In late November, story after story began to appear, written by, or citing, writers from the Center for Investigative Reporting, a tax-exempt syndicate of journalists based in San Francisco. What soon became a barrage of stories, many of which appeared in a number of other countries including Spain, Britain and Portugal, began at a time of key Congressional decision-making regarding the Endowment. The motives and actions of both FTUI and its grantees were called into question. Funding to one of them, the Union Nationale Inter-universitaire, was suspended by NED.

Apparently, the press stories had an impact on Congress. As a result of action taken in a joint House and Senate conference session, and ultimately supported by both houses, the Free Trade Union Institute will now receive less than a third of its FY'85 funding amount. The new FY'86 appropriations bill they passed limits the amount for any Endowment grantee to 25% of NED's total appropriation.

Because of the press stories and resulting concern in Congress, the Endowment has asked FTUI for a report on the French programs covering a description of the organizations funded and their activities, budgets and accounting of disbursements to date

date and justification of funding in terms of Endowment purposes. Special background has been requested on UNI. All of this information is provided here.

The AFL-CIO and its institute think, however, that any meaningful response to the National Endowment for Democracy's request must do more than address the questions of who received the funds and what democracy-building activities they supported. Limited concentration on how much detail is written about the programs and who has sufficient control over the money, though these issues do indeed deserve attention, will miss fundamental political points.

In our view, the first breaking press stories on these programs were organized as a political attack on both the NED and FTUI. We foresee that such attacks will not cease simply because both organizations generate more paper and more numbers, unless of course they decide to fund only weak and non-controversial programs. We, therefore, believe that the Endowment, the Congress, and even the General Accounting Office must look beyond the very legitimate issues of oversight and accountability to see whether it is democracy's friends or its enemies abroad who have gained or lost from this flap. They must also consider the implications of their response for the future identity of the Endowment as a privately run organization.

Those who dislike the Endowment, even those who support NED but have not understood it, will never be entirely satisfied on the issue of accountability. The more fundamental questions NED and Congress must also consider are:

> Who lost out from this recent decision?
>
> What are the consequences for the democracy-building work of private non-governmental like the AFL-CIO when programs that are barely two years old are cut by more than half, programs started must be stopped, programs planned cancelled, new found friends told to go elsewhere and all of this, as labor's friends abroad are well aware, before the evidence answering an attack is even in?
>
> How strongly can the Endowment defend its programs in the press and in Congress, even maintain its fundamental private identity, when some public officials are quick to rush to judgement on the basis of press charges?
>
> What does the cut in labor programs, and its causes, mean for the future of labor forces fighting for democracy around the world and for the future travails of the Endowment itself?

There are those who claim that mistakes have been made with respect to the French programs. FTUI and the AFL-CIO do not think so, though we are willing to listen to those who do. We would like to note that those we fund in France successfully took the offensive in responding to charges against both themselves and us. Our Embassy in France said little; the French government, nothing.

We hope that the Endowment's reaction, and that of Congress will not be determined by its enemies. Therefore, our report to the Board will do more than explain the details of the French programs. There is, after all, much more to be said about all of this. What follows, then, is a response that not only presents the requested information on the programs in France, but also discusses the Endowment's original purposes and how FTUI practices have complied with Endowment policy. The report chronicles the recent wave of press reports, raises questions as to why it was organized, and points out the interesting juxtaposition of the appearance of the early stories with key Congressional votes. It attempts to address some of the legitimate political questions raised about the programs in France. It has a lengthy appendix enumerating the many articles that have appeared, and includes some of them in translated form.

For us in the AFL-CIO what all of this has amounted to is an attempt to destroy or weaken our program. This is hardly new. Democracy's enemies have many allies, some sinister and deliberate, others unwitting and naive. What we would hope is that the Endowment leadership and our friends in Congress who may be more surprised by all of this than we are, will recognize these events for what they are and continue maximum support for the international work of free labor.

II. SCOPE OF THE ENDOWMENT CONCEPT AND PURPOSES

The creators of the National Endowment for Democracy, primarily the two political parties, the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) and the United States Chamber of Commerce established the Endowment first and foremost as a private, non-governmental organization which had as its primary purpose the funding of the international pro-democratic work of these four groups and others that might be designated by the Endowment.

Notably, the "National Endowment for Democracy Act", the law authorizing the Endowment's appropriation did not establish the Endowment. Rather, it observed that "The Congress finds that there has been established in the District of Columbia a private, nonprofit corporation known as the National Endowment for Democracy. . . which is not an agency or establishment of the United States Government". The law further noted that among the purposes of the Endowment as privately set forth in its articles of incorporation is a goal "to encourage free and democratic institutions throughout the world through private sector initiatives. . ."(emphasis added)

The law specifies that the United States Information Agency shall make an annual grant to the Endowment. It provides that the Endowment comply only with "requirements specified" in the law which have to do primarily with government auditing rights and reporting practices. The act also states quite clearly that "The grant agreement may not require the Endowment to comply with requirements other than those specified in this title." The appropriate use of funds was left to the Endowment's private Board of Directors to decide: "grant funds will only be used for activities which the Board of Directors of the Endowment determine are consistent with the purposes described [herein]. . . "

Thus it has been the AFL-CIO's understanding that its institute is answerable to the Endowment Board for compliance with its purposes regarding program substance and answerable to Congress, the GAO, and the USIA with regard to provisions of the law relating to auditing, record-keeping, etc.

In fact, it has been the understanding of the AFL-CIO all along -- even a condition of participation -- that only the privately established Endowment Board, not the government, makes substantive decisions about NED programs. All the groups which created the Endowment had thought that its private and bi-partisan nature as well as its relative freedom from government regulation were essential to its success. No one, least of all labor, wanted a conventional government agency-grantee relationship. All recognized that there were many struggling democratic groups needing funds who would be compromised, even politically hurt, unless the Endowment was defined in this private and flexible way.

The AFL-CIO's Free Trade Union Institute, originally created in 1977 to broaden the scope of labor's work beyond the third world to Europe, was given responsibility for administering labor funds from the Endowment for programs "throughout the world." FTUI was established by the AFL-CIO because its three regional institutes receiving Agency for International Development funds were restricted to work in the developing countries of Asia, Africa and Latin America. The AFL-CIO had worked closely with the German foundations (Stiftungen) in helping democratic unionists in post-dictatorial Spain and Portugal to reestablish their unions. Until the Endowment came along there had been no major source of public funds for labor work in Western Europe since the Marshall Plan. There had never been public resources for American labor assistance to independent unionists in Eastern bloc countries, especially Poland.

III. FTUI PROPOSAL AND REPORTING PRACTICES AND ENDOWMENT POLICY: CONGRESSIONAL INFORMATION REQUESTS

From the beginning, the Free Trade Union Institute and the AFL-CIO representatives on the Endowment Board argued in favor of a worldwide program. Programs for both Eastern and Western Europe were part of FTUI's first proposal to the Endowment. Specific programs were discussed in the narrative portions of every proposal, though labor proposals totalled individual recipient budgets in broad purpose categories. Some democratic trade unionists felt that the publication of their individual grants might expose them to attacks by non-democratic groups with which they had to compete. In the case of France this consideration was paramount. FTUI identified with these concerns and asked the Endowment to do likewise. The format it designed was out of respect for the wishes of democratic labor unions.

All proposals to the Endowment Board, and all reports as well, have thus far followed FTUI's initial pattern. And while individual grant amounts have not been published in either reports or proposals, they have been available to Board members at labor-sponsored briefings and to the Endowment staff at meetings it has requested. They also have been available to the General Accounting Office which has had access to FTUI files on all programs. Thus FTUI practices to date have been consistent with Endowment policy and the requirements of full accountability. And while information on the single item of budget figures was not broadcast, it was not secret either.

It must be noted that until the news stories on the FTUI's funded programs in France no question as to the propriety of these programs had ever been raised by either the Endowment's Board members or staff. While some felt that more detailed information was needed on all programs, this sentiment was general and was never expressed with specific reference to the French programs. Nor was the appropriateness of funding programs in Western European democracies ever discussed as a subject of serious Board concern.

On April 1, 1985, as the Endowment's authorizing legislation was making its way through the House, a request came to the Endowment from the Subcommittee on International Operations of the House Foreign Affairs Committee. Subcommittee leadership argued that it needed precise grant figures in case any individual Congressman asked about the budget of a specific program. The subcommittee asked that: "... for each country in which NED or its grantees have funded activities, you provide the name of the grantee and the sub-grantee and the amount of the grant."

The request exceeded Endowment policy with respect to the past practice of the FTUI. Since the publication of such a list would compromise FTUI's agreements with grantees who had specifically requested privacy regarding their budgets, FTUI provided the subcommittee the information with the request that it be kept private. The subcommittee also asked the Endowment for an indication of which programs were particularly sensitive, with the understanding that special care would be taken with these budget figures. The Free Trade Union Institute provided this to the Endowment as well in a simple informal memorandum. (See Appendix D.) It too was passed on to the subcommittee and the GAO. At that point the Endowment Board had not requested such a list as a matter of its own policy.

With the exception of a specific request that came from Senator Ernest Hollings on budgeted amounts for programs in Poland and from others for clarification on amounts spent in Panama in the aftermath of negative publicity on the program there, individual program requests from Congress have been notably lacking. One or two Congressional staffers did ask for the whole list once they knew of its existence, and reporters have inquired about individual programs. Otherwise, FTUI had never received nor been told of any individual Congressman's request for individual budget figures relating to specific programs prior to the flurry of stories on the French programs.

Even after the list was given to the subcommittee, which in turn passed it over to Foreign Affairs Committee Staff, no one who had the list or the figures, either in the Congress or among Endowment staff, raised questions about why FTUI supported programs in France, the nature of the organizations funded or the amounts given.

Nor, it must be pointed out, did anyone in Congress, all of whom had access to the Endowment's annual report, ever raise any objection to the fact that the Free Trade Union Institute funded programs in the democracies of Western Europe. This fact was never a secret. Support for the major democratic trade union in Portugal has been featured in FTUI documents provided to members of Congress partly because such an extensive program in a West European country is not possible without NED money. Other programs in European democracies were discussed in the annual report.

IV. THE ROLE OF THE PRESS: PRESS ISSUES HERE AND ABROAD

Initial press inquiry on the programs in France came from Mark Schapiro, who called the Free Trade Union Institute the last week in October and identified himself first as working on a story for The New Republic and later as affiliated with the Center for Investigative Reporting. A few days later Annette Levy-Willard of Liberation, a French left-of-center newspaper, flew to Geneva to speak with Irving Brown.

What followed, but not until a full month later, was a well-organized press attack on the Free Trade Union Institute and on the Endowment. The stories charged secrecy; implied that both institutions were under the Reagan Administration's control; suggested that two of FTUI's major French recipients were using Endowment funds to attack the government of Francois Mitterrand just prior to an election; commented sarcastically that in funding programs in France the Free Trade Union Institute and the Endowment must think that France is not a democracy; distorted the amounts given and charged that recipients are variously right-wing, associated with para-military forces, anti-Semitic, etc. The stories were picked up in other newspapers in the home countries (Great Britain, Spain and Portugal) of other FTUI recipients. Special vehemence was expressed in the communist press.

Not surprisingly the first press stories began to appear right at the time when final decisions in the Congress regarding the Endowment's fiscal year 1986 appropriation were being made, even though research on them had begun a month earlier. Much of the press attention that followed these first stories was legitimate news by interested and objective reporters. But, in our view, those who broke the initial stories, who were the source of the information and who wrote the first analytic criticisms were the ones who framed the arguments for most of the others. Those who broke the initial story also had an anti-NED and anti-FTUI ax to grind. The chart below covers selected breaking press stories here and in France until the Endowment's appropriation went through Congress.

PRESS CHRONOLOGY

(Covers selected breaking press stories here and in France until the Endowment's appropriation is through Congress)

Major Stories

10/28/85 Early in the week Mark Schapiro of the Center for Investigative Reporting calls FTUI office (key staff are at AFL-CIO Convention).

11/5/85 Annette Levy-Willard flies to Geneva to see Irving Brown, AFL-CIO International Affairs Dirctor.

11/26/85 Mara Liasson interviews Carl Gershman and Eugenia Kemble for National Public Radio. Secrecy is a major theme. The Center for Investigative Reporting is cited as a source. The story breaks on French television.

11/27/85 NPR carries its story all day. The Paris daily, Liberation, carries a seven page feature on the AFL-CIO's programs in France crediting Mark Schapiro and Annette Levy-Willard.

11/28/85 The New York Times, Washington Post (UPI) and Washington Times carry the story. The Washington Times cited Mark Schapiro as a source and the others Liberation.

12/4/85 A critical story by Ben A. Franklin using secrecy as a major theme appears in the New York Times. (To date a response letter from FTUI's Executive Director correcting the

CONGRESSIONAL CHRONOLOGY

12/4/85 Senate and House conferees meet at 10:30 a.m. The New York Times story is used in an attack on the Endowment by Senator Lowell P. Weicker, Jr. (R. Ct.) who has not been published -- see enclosures).

circulated the article to the rest of the committee. Senator Ernest F. Hollings (D. S.C.), also referring to the article, moved to delete all funding for NED and lost on a vote of 5 to 3. It was indicated that the appropriations compromise will limit the amount any single grantee can receive from the Endowment. The cap (25%) effectively limited what FTUI could receive to less than half of what it had hoped for in FY'86. This is the first time FTUI learned that such a step would be taken. No one ever discussed it with the AFL-CIO.

12/6/85 New Republic Story by Mark Schapiro and Annette Levy-Willard is published but has not yet reached the newstands.

12/6/85 Senator Hollings moves to delete all funding for NED from the conference report. He and other Senators refer critically to labor programs. The motion is defeated by a vote of 57 to 32. Few are aware that the labor program has been cut by more than half. No one who criticized the labor programs on the floor checked their information with FTUI.

12/17/85 Liberation runs a follow-up article by Annette Levy-Willard and Mark Schapiro in effect claiming credit for the cut in labor's National Endowment for Democracy funding and expressing regret that the Endowment itself did not go down. The headlines say:

> "Subsidies for FO and UNI, Irving Brown's Disappearing Dollars. The National Endowment for Democracy will no longer be permitted to give

> more than 25% of its aid to a single organization. Thus, the anti-communist network of Irving Brown, head of International Affairs for the AFL-CIO, loses important resources."

The story concludes:

> "It was Irving Brown, therefore, responsible for the AFL-CIO's international operations, who until now had been making the decisions on subsidizing the organizations which did the best job of fighting communism through the world. But the "scandal" has caused many of his resources to be taken away... It was too late to deny funding to the Endowment, but an investigating commission is going to look into the accounting and spending of these public funds. And the U.S. Congress has decided that from now on no organization may receive more than 25 percent of NED's budget. The Free Trade Union Institute, which had received between $11 million and $12 million out of the $18 million voted NED, will only have a maximum $4.5 million in public funds to parcel out. The anti-communist--and often extreme-rightist--network that Irving Brown had set up at the end of the war and that had been revived by this new source of financing has thus lost some $8 million. Per year."

Press stories based on the secrecy theme, often f[illegible]ng programs that had not been designated in the memorand[illegible]so cropped up in other European countries including Spa[illegible]ortugal and the United Kingdom and as well as in some countries in Latin America. Many appeared in the Communist or anti-U.S. press and concentrated on criticism of grant recipients (See Appendices A and B for selected newspaper reports and for a list of all press stories FTUI has received).

It is important to note that the New York Times story most widely cited in Congressional discussion was written by Ben A. Franklin who in the Spring of 1984 wrote a misinformed story on FTUI's programs in Panama. The story contributed to the temporary defeat of the Endowment's appropriation a few days after it appeared. This time a Franklin story was published on the day of the appropriations conference committee meeting and was used in that debate to support a motion to delete the Endowment's funding from the bill. FTUI's letter answering the story's claims has not been published by the New York Times (See Appendix C).

In France grant recipients effectively countered the attack with their own answers and most now feel they have weathered the political storm well (See Appendix E).

V. HISTORY OF THE AFL-CIO RELATIONSHIPS WITH THE GRANTEES IN FRANCE

The Free Trade Union Institute has funded six programs in France using fiscal year 1984 and/or 1985 funds. Not all of them involve French-related work per se. Some grants support research and human rights organizations which happen to be located in France and with which the AFL-CIO has had contact through its office there.

Two major grantees, the Force Ouvriere and the Union Nationale Inter-universitaire, have been known to AFL-CIO leaders and Irving Brown, head of the AFL-CIO's European office and Director of its Department of International Affairs, since their inception. The FO was founded in 1948 when French democratic trade unionists split from the Communist-dominated Confederation Generale du Travail (CGT). It has been a close ally of the American trade union movement ever since, consistently working with the AFL-CIO in the International Confederation of Free Trade Unions to promote the cause of democratic unionism. UNI, a professors and students group, was founded in 1969 in the aftermath of the student demonstrations in France as a pro-democratic, anti-communist alternative to leftist organizations that have dominated the French university system since then.

The four other organizations, Que Me, the Institut d'Histoire Sociale, the Institut Sino-Sovietique, and the Association Internationale Pour Les Droits de L'Hommes are research and human rights organizations that focus on the anti-democratic practices of totalitarian governments and on the history and activities of communist organizations in France, including the CGT and the French Communist Party. All have been known to the AFL-CIO for a number of years.

A number of these organizations, including the FO and the UNI, had received support from the Free Trade Union Institute prior to the creation of the National Endowment for Democracy.

VI. UNION NATIONALE INTER-UNIVERSITAIRE (UNI)

The FTUI's grant to UNI has been suspended by the Endowment and thus deserves special attention in this report. The principal charges leveled at UNI are that it is or was tied to the Service d'action civique, defined by the press as a "right wing paramilitary organization;" and that it has used Endowment funds to oppose the policies of the Mitterrand government. What follows is a discussion of these and other issues based on UNI proposals and reports to the Free Trade Union Institute, a a reading of the report submitted on June 18, 1982, to the President of the French National Assembly by a special Commission of Inquiry on the Activities of the Civic Action Service (SAC), letters, press statements and other documentation submitted to FTUI by UNI, press reports, a recent interview with UNI leadership on January 9, 1986, as well as earlier interviews, and discussions with AFL-CIO International Affairs Director Irving Brown who has extensive knowledge of the histories of both SAC and UNI.

The Service d'action civique (SAC) was founded by Gaullists in 1959 for the purpose of protecting De Gaulle from threatened coups d'etat. SAC was most active between 1959 and 1962 and ultimately ended up opposing General de Gaulle's support for Algerian independence. Even so, as recently as 1968, (one year prior to the founding of UNI) according to the French commission report which contains documentation, SAC received letters of support from both Georges Pompidou and Charles de Gaulle. Indeed, Pompidou served as honorary president of SAC. In fact, there were periods during its early history when Socialists cooperated with and were members of SAC. According to the Economist (August 7, 1982) the Gaullists severed their formal ties with SAC in the early 70's though "a number of Gaullist leaders remained members of the group."

The findings of the French National Assembly's Commission of Inquiry on the Activities of the Service d'action civique contain allegations concerning links between that organization and UNI. It is these findings which form the basis of press charges.

The findings concerning SAC-UNI include the following conclusion: "The UNI was originally (our emphasis) a satellite movement of the SAC. Even if the bonds have become rather thin, in particular due to the natural growth in the number of adherents among the burgeoning student population, UNI remains up to this day a movement closely associated with the SAC."

This assertion, with its admission that SAC-UNI "bonds have become rather thin", is the conclusion of a report issued by a partisan Socialist-Communist Commission. The Giscardist (UDF) and Gaullist (RPR) parties refused to participate in the Commission's inquiries and findings.

The fact that there was a small overlapping membership between SAC and UNI cannot be refuted. This has been acknowledged by a number of UNI leaders. However, the charge that UNI was founded by, an arm of, or controlled by, the SAC is without foundation.

It is also reasonable to conclude that in the early years, and even up until the late 60's and early 70's when SAC is alleged to have had creative influence on UNI, SAC could have been characterized as a mainstream organization held in high regard by leading political figures in France. In 1969, the only year in which the Commission of Inquiry provides any evidence to substantiate a SAC-UNI link, SAC was an organization supported by two French Presidents--De Gaulle and Pompidou.

Interviews with UNI leadership confirm that a very few contemporary UNI activists are former members of the now banned SAC. But UNI's leaders also discount the political significance of this and argue strongly that there never were any organizational ties. They point to that fact that there are no former or current SAC members in the Executive of the organization. A December 6, 1985 UNI press release responds to the charge that UNI is supposed to have been an outgrowth of SAC by noting that "UNI wishes to deny most affirmatively and formally this accusation."

In an as yet unpublished letter to the International Herald Tribune (See Appendix E), UNI disputes the claim that it has a "dubious history" of "nondemocratic origins". UNI says,

> "How can one dare to speak of 'dubious history' concerning an organization such as UNI which counts among its members three former ministers, nine former rectors, several of the most prestigious members of the Academies (Academie des Sciences de Medecine, des Sciences morales et politiques, des Inscriptions et Belles Lettres), several presidents

> and eminent faculty members of universities. What can non-democratic origins mean when UNI obtained proof of its representativeness in the elections of the Conseil National de l'Enseignement Superieur et de la Recherche -- the most important of the university elections -- 16.32% of the teaching staff and 9.62% of the student vote?"

UNI, moreover, is governed by an elected board.

In conclusion, while there were a few SAC members who were UNI activists, the SAC did not found UNI, never played a controlling role in UNI, and its very limited relationship diminished with time. According to UNI's leaders, "at most ten" current UNI activists, out of a claimed membership of 25,000 had any previous role in SAC.

In the final analysis UNI can only be regarded as a group of anti-communist students and professors. Its adherents include prominent French academics, and professors from the leading French universities. (See Appendix F.) It has won the support of over 16% of the university professors and nearly 10% of students in the most recent university elections.

VII. PROGRAMS IN DEVELOPED DEMOCRACIES: POLITICAL ACTIVITY, POLITICAL RIGHTS

Among the various assertions in press stories critical of the programs in France is the suggestion that FTUI is wrongly supporting groups that have opposed the Mitterrand government's policies. Some have even suggested that assisting groups in developed European democracies is itself inappropriate.

Neither the Endowment nor FTUI has ever had a policy of restricting funding only to organizations in dictatorial or totalitarian countries. Projects in European democracies have been part of their agenda from the beginning. Nor does FTUI try to use the occasion of its funding to limit groups in their right to carry out other political purposes using other resources. Beyond judging that an organization is pro-democratic and nonviolent, FTUI assumes that those it funds have other goals than those supported by its grants.

What FTUI does insist is that none of the funds it distributes be used to fund the campaigns of candidates for public office. This is an Endowment policy with which FTUI rigorously complies. One grantee, UNI, has written to assure us that its FTUI funds have not been used for such political purposes (See Appendix E). It is true that undemocratic governments are the main source of hostility and focus of attention for most unionists trying to gain basic labor freedoms. But just as totalitarian support for groups and ideas crosses the national borders of democracies, so too should democratic assistance. Obviously, where anti-democratic unions and front groups have free reign, as is the case in both the established and newly-emerging democracies of Europe, it is they, not government that warrant competition. Within the general framework of National Endowment for Democracy policy, namely that no funds be used to support violent activities and that all groups funded support democratic principles, the postures of funded groups on other matters are their own business. If such groups want to oppose their governments' policies on education or defense or labor law, that is their right. For either NED or FTUI to try to control the voices of its recipients out of some concern for relations between the United States Government and a group's host government would twist the purposes of the Endowment beyond all recognition. Such practice would more closely resemble the style of East bloc front groups than the politically independent, American interest groups the Endowment is working with to assist like groups abroad.

Just as the AFL-CIO has its own foreign and domestic policies which are often critical of government, so too do those with whom it works. We also know that the struggle for democracy is profoundly political. The day the Congress or the Endowment decides it is not, NED should go out of business.

VIII. PROGRAM DESCRIPTIONS AND EVALUATIONS

This section of the report provides the factual detail on the French programs requested by the Endowment. It is based on reports to the Free Trade Union Institute from its grantees in France and recent interviews with them conducted in Paris between January 9th and January 11. While we have not included all of them in this report, a number of FTUI grantees have made their own responses to the press stories (See Appendix E). All of them assured FTUI in the recent interviews that no funds have been used for political activity against the Mitterrand government.

A financial update on funds forwarded to recipients is included in this section. One general point regarding budgets of all the programs needs to be made here. The budget list published in Liberation and quoted in many press stories covers at least two fiscal years, and sometimes more, if programs were delayed or funds expended at a slower rate (See attached chart after page 51.) Thus, for example, while the total amount budgeted for the FO is $830,000, this covers $330,000 for the first year $300,000 for the second and $200,000 in FY'85 funds to be used in FY'86. All of this is explained in this section.

A. Grant to the Union Nationale Inter-universitaire

1. Introduction

The following evaluation of activities of the Union Nationale Inter-universitaire (UNI), and more precisely its

Centre d'Etudes et de Diffusion, covers the period April, 1984 through September, 1985. Activities reported upon were funded by the Free Trade Union Institute with FY '84 and FY '85 funds from the National Endowment for Democracy.

2. Description of Funded Organization

The Union Nationale Inter-universitaire, is a mainstream national French students, teachers, and professors organization active in the French university system. (See Appendix F.) It engages in anti-communist and pro-democratic education. It is this facet of its educational activities which the FTUI grant supports.

UNI has approximately 25,000 members throughout France. In the last election for the National Council for Higher Education (CNESER), UNI received 16.32% among college professors and 9.62% of the vote among college students. It is active in more than fifty cities, primarily within the university system.

3. Program Focus

The major focus of the FTUI-funded program of the UNI was publications and pro-democratic education. The FTUI supported 50% of the budget of UNI's Centre d'Etudes et de Diffusion, the organization's publications and distribution arm. The Centre d'Etudes represents 35% of UNI's overall budget.

4. Program: Books, Booklets, Periodicals, and Other Activities

Among the UNI publications supported by FTUI funds are books on the theology of revolution, Leninism at the workplace, regional language issues, the justice system, literary politics, an assessment of the UNESCO program, education issues, and civil liberties issues.

The booklets and books of the UNI are written in a popular style. They are intended for a broad readership of teachers, professors, and students. They range through a variety of cultural, political and foreign affairs issues.

The grant also has supported publication of a monthly newsletter, a magazine, and occasional leaflets and posters.

The monthly newsletter, L'Action Universitaire is published in an edition ranging from 60,000 - 70,000 copies. It appears ten times per year in a four-page format. The newsletter summarizes UNI's studies, booklets, books and educational activities. The newsletter is distributed by mail to subscribers and by more than fifty UNI chapters. Its target audience is primarily university students. The newsletter has a heavy foreign affairs emphasis.

A second periodical the grant supports is Solidarite Atlantique, UNI's foreign affairs magazine. As its name indicates, the journal promotes cooperation among the Atlantic democracies and supports the NATO alliance. It is published monthly, in a 24-page format, and in an edition of 10,000. In the reporting period, the periodical dealt with such issues as:

1) Repression in Nicaragua; 2) NATO and Atlantic Solidarity; 3) UNESCO and Pacifism; 4) Vietnam under Communism; 5) The Moscow International Youth Festival; 6) The Struggle of Peoples Against Communism; 7) The Case of Andrei Sakharov; 8) The USSR under Gorbachev; and 9) Soviet Anti-Semitism.

Another major focus of UNI activity in the reporting period was the mobilizing of an educational effort concerning the October visit to France of Mikhail Gorbachev. A special issue of Solidarite Atlantique provided an overview of Gorbachev's regime. Hundreds of thousands of posters and leaflets bearing the slogan: "Gorbachev = Gulag" were disseminated in Paris and throughout France. Some 10,000 participants joined in a human rights rally which UNI helped mobilize. The rally featured prominent Soviet dissident exiles.

5. Evaluation

The books, periodicals and brochures published by the Centre d'Etudes et de Diffusion are written in a popular style by prominent French academics. They confront major issues in French cultural and educational life and in international affairs. The organization itself has a significant degree of support among college students, professors and educators.

The program deals largely with questions of democratic education and international affairs. It should be noted that most of the funds support direct program activity and less than ten percent covers salaries and office costs.

UNI's reports to the FTUI correspond closely to the proposed program of activities.

6. Relation to Endowment Purposes

The grant to UNI supports the education program of a students and professors organization which promotes democratic values, supports strengthening the Western alliance, and exposes human rights violations. The program is fully consonant with the outlined purposes of the Free Trade Union Institute categories of "Democratic Pluralism", "Institution-building" and "Training and Civic Education". The program of publications also reflects the NED's legislated purposes of "[encouraging] free and democratic institutions... through private sector initiatives, including activities which promote... individual rights and freedoms..."

7. Financial Status

The FY '84 FTUI grant to UNI was in the amount of $275,000, an amount which was fully disbursed by October, 1984. The FTUI grant to the UNI was $300,000 for FY'85. Of this, $227,493 was disbursed by August, 1985. The balance of the grant has been suspended pending review by the Endowment.

1984		1985	
Line Items	Budget	Line Items	Budget
Salaries	$ 27,000	Salaries	$ 26,667
Space & Utilities	10,000	Space & Utilities	13,333
Supplies & Equipment	2,000	Supplies & Equipment	3,667
Communications & Postage	46,000	Communications & Postage	81,003
Travel & Per Diem	4,000	Travel & Per Diem	6,111
Consultants' Fees & Expenses	0	Consultants' Fees & Expenses	0
Benefits, Allowances & Taxes	5,600	Benefits, Allowances & Taxes	0
Contractual Services	0	Contractual Services	0
Other Direct Costs	45,000	Other Direct Costs	133,441
Support Grants	135,400	Support Grants	35,778
TOTAL	$ 275,000	TOTAL	$ 300,000

Funds disbursed to date:

FY '84	$ 275,490
FY '85	$ 227,493

Projected date for the disbursement of all funds: Currently suspended.

B. Grant to the Force Ouvriere

1. Introduction

The following evaluation of activities of the Confederation Generale du Travail-Force Ouvriere (FO) covers the period from April, 1984 through September, 1985. Activities reported upon were covered with Free Trade Union FY '84 and FY '85 funds from the National Endowment for Democracy.

2. Description of Funded Organization

The Force Ouvriere is the largest non-Communist French trade union organization. It has an annual budget of nearly ten-million dollars. FTUI support to the FO constitutes approximately five percent of its annual funds. FO reports a membership of over 1 million. In recent representation elections, it has significantly narrowed the gap between itself and the Communist-led CGT, which claims a membership of 1.5 million.

3. Program Focus

The FTUI program of assistance supports union staff members in democratic education across occupational categories and on a regional basis. In addition to their educational and organizational activities, these staff members are charged with assisting trade union exiles and other democratic exiles residing in France as well as organizing and servicing immigrant union members. An important part of the program is FO assistance to trade union exiles who have fled repression and currently reside in France.

4. Program Description

The grant supported sixteen full-time union representatives and included office, postage, and printing costs and equipment. The organizers were engaged in building support for the FO and conducting democratic education for union rank-and-file. They also provided assistance to trade union exiles and other democratic exiles and immigrants.

In 1985, funds were also used to support Solidarity's Paris office, and to provide assistance for trade union exiles from Bulgaria, Hungary, Romania, Czechoslovakia, and Yugoslavia. Refugees from the USSR, including the Baltic countries and the Ukraine and trade union exiles from Bolivia, Chile and Paraguay were given aid. Aid to Vietnamese, Cambodian, and Afghani refugees also was provided. Refugee aid was given to exiled trade unionists from Chad and Guinea-Bissau. Humanitarian aid also was provided for Ethiopian victims of famine.

Assistance to exiles ranged from support in helping them to inform the French public about the state of human rights and labor rights in their countries to direct financial assistance. The full range of assistance included long-term financial aid to Soviet and Central European exiles and to some Latin American unionists. Some assistance was provided for publications edited by exile groups. An adjunct of the program was assistance for the trade unions in New Caledonia, Guyana, Martinique, Guadelope and St. Pierre et Miquelon. These are all French territories and dependencies.

5. Evaluation

Educational and organizational programs improved the FO's provision of services to members and helped strengthen the skills of FO activists. Such assistance made the union more attractive to workers and helped improve its popularity.

In the reporting period, Force Ouvriere continued to make significant advances that solidified its role as the largest non-Communist trade union organization in France. The membership gap between FO and the Communist CGT has narrowed. In 1974, the FO had 700,000 members as compared to 2.4 million for the CGT. Currently the FO has 1.1 million members and the CGT has 1.5 million. Although such an increase is not attributable to FTUI assistance it does indicate that the union's full range of programs and services is regarded positively by French workers.

Humanitarian assistance to democratic trade union exiles helped build support for democratic activists in countries governed by dictatorships of the left and right. A second form of assistance enabled such exiles to publish periodicals and to issue non-periodical publications. Additional assistance supported a program which strengthened democratic trade unions in French territories and departments d'outre-mer.

6. Relation to Endowment Purposes

The FTUI grant to the Force Ouvriere is consistent with a number of legislated Endowment purposes. It has had the effect of "/supporting/the participation of... labor... in fostering cooperation with those abroad dedicated to the cultural values, institutions, and organizations of democratic pluralism." The assistance afforded by the FO to exiled trade unionists and other democratic activists has encouraged them in efforts toward the "establishment and growth of democratic development..." The program, therefore, has strengthened "free and democratic institutions" not only in France but in a variety of settings throughout the world. The program, moreover, corresponds faithfully to the FTUI purpose categories of "Institution Building" and "Training and Civic Education".

7. Financial Status

The grant to the Force Ouvriere for FY '84 was fully disbursed by May 1984. Of the $500,000 allocated for FY '85 only $83,172 has been disbursed to date. This is because the Force Ouvriere has proposed utilizing the grant over a longer time from than originally indicated. The date of the last disbursement of funds to the FO was August 19, 1985.

1984

Line Items	Budget
Salaries	$ 198,000
Space & Utilities	0
Supplies & Equipment	0
Communications & Postage	0
Travel & Per Diem	0
Consultants' Fees & Expenses	0
Benefits, Allowances & Taxes	132,000
Contractual Services	0
Other Direct Costs	0
Support Grants	0
TOTAL	$ 330,000

1985

Line Items	Budget
Salaries	$ 203,850
Space & Utilities	23,500
Supplies & Equipment	6,700
Communications & Postage	0
Travel & Per Diem	102,700
Consultants' Fees & Expenses	0
Benefits, Allowances & Taxes	116,200
Contractual Services	0
Other Direct Costs	47,050
Support Grants	0
TOTAL	$ 500,000

Funds disbursed to date:

FY '84:	$ 329,636
FY '85:	$ 83,172

Projected date for the disbursement of all funds: September 1986

C. Grant to the Que Me

1. Introduction

The following evaluation of the Que Me, the Vietnamese Human Rights Organization, covers the period January, 1985 through September, 1985. Activities reported upon were funded by the Free Trade Union Institute with FY '84 and FY '85 funds from the National Endowment for Democracy.

2. Description of Funded Organization

Que Me ("Homeland", in Vietnamese) is a Paris-based publication and human rights organization, linked to the Association of Vietnamese Overseas. It commands support from a broad spectrum of the international human rights community for the accuracy of its reporting and research.

3. Program Focus

A major focus of the program is the funding of an English- and French-language bulletin on human rights trade union and political issues in Vietnam. FTUI support for Que Me has enabled that organization to collect and publicize data on the violations of human rights, religious liberties and trade union rights in Vietnam. Additional support is intended to upgrade the organization's publications, through the provision of new typesetting equipment.

4. Program Description

The publication of a bulletin was delayed because of the preparation of a major report on "Human Rights in Vietnam". The first issue appeared in French at the end of 1985. A major focus of FTUI support was the preparation, publication, and distribution of a major study on human rights in Vietnam. The 70-page study was presented to the United Nations Human Rights Committee in May, 1985 on the occasion of the 10th anniversary of the end of the Vietnam War. A separate fifty-page press advisory also was prepared. The study was made public at a press conference in New York which received widespread international media coverage. Reports on the study and interviews with Que Me founder Vo Van Ai, appeared in Newsweek, the Wall Street Journal, the New York Tribune, the Los Angeles Times, Le Monde, L'Express, Liberation, Tribune de Geneve, Le Quotidien de Paris, and Le Point. Reuters wire service, likewise, reported on the study.

Additional funds helped support research for articles in Que Me's monthly Vietnamese-language magazine.

Initial inquiries have been made toward the purchase of needed Vietnamese typesetting equipment.

5. Evaluation

Que Me's research and publications activities are of a very high standard. The organization has won a reputation of credibility and accuracy for its factual reporting and documentation of human rights and worker rights abuses in Vietnam. The organization's press conferences and external activities give a high visibility to the state of human rights in Vietnam, an issue which is difficult to report because of the closed nature of Vietnam's Communist society.

Although an English- and French-language bulletin was delayed because of the preparation of a major research report, the first issue of the French-language periodical appeared in the winter of 1985. The preparation of Que Me's major human rights study, however, was consonant with the broad purposes of the FTUI grant -- the promotion and dissemination of research on Vietnamese human rights and worker rights issues.

6. Relation to Endowment Purposes

In its research on human and labor rights violations in Vietnam, and in its attempts to report about such violations to the public, Que Me has fulfilled the NED's legislated purpose of support for "activities which promote the individual rights and freedoms (including internationally recognized human rights) which are essential to the functioning of democratic institutions."

7. Financial Status

FY '84 funds in the amount of $27,000 were fully disbursed by April, 1985. Of $53,000 in FY '85 funds $20,000 have been advanced.

1984

Line Items	Budget
Salaries	$ 2,281
Space & Utilities	0
Supplies & Equipment	0
Communications & Postage	3,751
Travel & Per Diem	0
Consultants' Fees & Expenses	0
Benefits, Allowances & Taxes	844
Contractual Services	0
Other Direct Costs	2,887
Support Grants	17,266
TOTAL	$ 27,029

1985

Line Items	Budget
Salaries	$ 7,400
Space & Utilities	0
Supplies & Equipment	40,000
Communications & Postage	0
Travel & Per Diem	0
Consultants' Fees & Expenses	0
Benefits, Allowances & Taxes	2,600
Contractual Services	0
Other Direct Costs	3,000
Support Grants	0
TOTAL	$ 53,000

Funds disbursed to date:

FY '84:	$ 27,000
FY '85	$ 20,000

Projected date for the disbursement of all funds: June, 1986.

D. Grant to the Comite Francais, Association Internationale Pour Les Droits de l'Hommes

1. Introduction

The following evaluation of a grant to the French section of the Association Internationale pour les Droits de l'Hommes covers the period May, 1984 through December, 1984. The project was supported with FY '84 funds.

2. Description of Funded Organization

The Association is the French section of the Frankfurt-based International Organization for Human Rights. The French section was founded in 1982 and has organized a number of symposia on general human rights issues, on Central America, Latin America, and on peace. It also has organized educational activities and disseminated information on human rights in Yugoslavia, the USSR, and Romania. A special focus of activity has been worker rights.

3. Program Focus

A grant was provided to fund the production and exhibiting of a traveling exhibit on the "The Soviet System."

4. Program Description

The exhibit was physically completed in June, 1984. It concentrated on 1) Soviet trade union doctrine; 2) Socio-economic rights and conditions in the USSR; 3) Worker Dissent in the USSR and Eastern Europe; 4) the Human Rights Movement in the USSR. The exhibit was displayed in France in 1984-1985.

5. Evaluation

The exhibit was well-designed, well-crafted, and written in a clear but detailed style which made it accessible to the broad French public. It was viewed in various cities throughout France, at trade union gatherings, and at an annual national festival of the Force Ouvriere. A publicity campaign for the exhibit generated local press attention.

6. Relation to Endowment Purposes

The grant to the French Section of the Association Internationale Pour Les Droits de l'Hommes involved research into the violation of individual rights and internationally recognized human rights. In this regard it reflected the NED's legislated purposes. The focus of the exhibit on worker rights in the USSR and the fact that the exhibit was displayed befose audiences of workers and trade unionists helped in "fostering cooperation with those abroad dedicated to the cultural values, institutions, and organizations of democratic pluralism."

7. Financial Status

FY '84 funds in the amount of $10,015 were fully disbursed by October, 1984.

1984

Line Items	Budget
Salaries	$ 0
Space & Utilities	0
Supplies & Equipment	0
Communications & Postage	0
Travel & Per Diem	0
Consultants' Fees & Expenses	0
Benefits, Allowances & Taxes	0
Contractual Services	0
Other Direct Costs	0
Support Grants	10,000
TOTAL	$ 10,000

Funds disbursed to date:

FY '84:	$ 10,015
FY '85	0

Projected date for the disbursement of all funds: Project completed.

E. Grant to the Institut d'Histoire Sociale

1. Introduction

The following evaluation of activities of the Institut d'Histoire Sociale covers the period April, 1984 through September, 1985. Activities reported upon were funded by the Free Trade Union Institute with FY '84 funds.

2. Description of Funded Organization

Founded by the noted scholar of Soviet studies, Boris Souvarine, the Institut d'Histoire Sociale is the largest private French repository of documents on Communism, the Soviet Union, and Russian revolutionary history. The Institute publishes a wide range of periodicals and conducts extensive research on trade union, East-West, and Communist affairs. It sponsors colloquies with prominent French and West European intellectuals and scholars. IHS's board of directors spans the broad spectrum of democratic thought in France.

3. Program Focus

The major focus of support was the publication of a monthly journal entitled, Les Etudes Sociales et Syndicales. The periodical reports on and analyzes trade union developments in France. Additionally, research was supported on the International Labor Organization. Such research was published in the institute's monthly magazine, Est & Ouest.

4. Program Description

Articles on the ILO, the Soviet offensive against the ILO, and on the ILO's report on Poland were published in *Est & Oest*. Six issues of the journal *Les Etudes Sociales et Syndicales* were funded. Additional funds covered editorial expenses. *Les Etudes* was well-received in the French press and attacked by the pro-communist press. Its reports and articles were cited and formed the basis of articles in *Revue de la Politique Francaise*, *Le Monde*, *Le Figaro*, *Liaison Sociales*, *La Lettre Confederal*, *Syndicalisme CFTC*, and the pro-Communist *Le Peuple*.

5. Evaluation

Both *Est & Ouest* and *Les Etudes Sociales et Syndicales* are well-respected periodicals which gain a great deal of attention in the French press. Contributors to these IHS periodicals in the last year have included Jean-Francois Revel, Branko Lazitch, and Michel Heller. The research on the ILO helped elucidate key issues in East-West trade union relations. Research on trade union developments in France was used by democratic trade union organizations in their efforts against anti-democratic Communist-dominated labor organizations.

6. Relation to Endowment Purposes

Support to the Institut d'Histoire Sociale funded research on trade union developments, with special reference to Communist-dominated trade unions in France. Another aspect of the program concentrated on issues confronting the International Labor Organization. The research helped in: "fostering cooperation with those abroad dedicated to the cultural values, institutions, and organizations of democratic pluralism." Support for research on the ILO focused, as well, on aspects of internationally recognized trade union rights.

7. Financial Status

FY '84 funds in the amount of $24,966 were fully disbursed by October, 1984. No FY '85 funds were allocated to the Institute.

1984		1985	
Line Items	Budget	Line Items	Budget
Salaries	$ 0	Salaries	$ 0
Space & Utilities	0	Space & Utilities	0
Supplies & Equipment	0	Supplies & Equipment	0
Communications & Postage	0	Communications & Postage	0
Travel & Per Diem	0	Travel & Per Diem	0
Consultants' Fees & Expenses	0	Consultants' Fees & Expenses	0
Benefits, Allowances & Taxes	0	Benefits, Allowances & Taxes	0
Contractual Services	0	Contractual Services	0
Other Direct Costs	0	Other Direct Costs	0
Support Grants	25,000	support Grants	0
TOTAL	$ 25,000	TOTAL	$ 0

Funds disbursed to date:

FY '84	$ 24,966
FY '85	0

Projected date for the disbursement of all funds: Project completed. We anticipate requesting funds for the program in FY'86.

F. Grant To The Institut Sino-Sovietique

1. Introduction

The following evaluation of activities of the Institut Sino-Sovietique covers the period from May, 1984 through September, 1985.

2. Description of Funded Organization

The Institut Sino-Sovietique is a Paris-based research organization, which conducts studies of Communist societies and Communist movements.

3. Program Focus

The major focus of the FTUI funded programs of the Institut Sino-Sovietique was the conducting of original research on trade union rights, worker rights, and socio-political developments in Communist-dominated trade union movements in Latin America. Background reports were prepared for use by the AFL-CIO's International Affairs Department.

4. Program Description

Activities included colloquies on European Communist movements and Latin America. An investigation of the role of Communist parties in Latin America also was supported. Reports on Cuba and China were prepared. A study of human rights, trade union rights and worker issues in Iraq was conducted. Research on the USSR, Bulgaria, Romania, East Germany, Hungary, Angola and Mozambique was supported. Inquiries on socio-economic and political trends in Communist-dominated Indochina were undertaken. Background briefings based on this research were provided to the AFL-CIO's International Affairs Department.

5. Evaluation

Vital information on trends in Communist dominated societies and among international Communist movements is necessary for the continued development of programs of the AFL-CIO and the Free Trade Union Institute. The closed nature of Communist societies makes information on those societies difficult to gather. Background briefings from the ISS have played an important role in filling gaps in U.S labor's knowledge about these societies.

6. Relation to Endowment Purposes

Support to the Institut Sino-Sovietique provided indispensable background information on the suppression of human and trade union rights in a number of Communist societies and Communist movements. As such the program corresponds to the Endowment's legislated purpose of support for "activities which promote individual rights and freedoms including internationally recognized human rights..."

7. Financial Status

FY '84 funds in the amount of $35,939 were fully disbursed by October, 1984. Of $75,000 in FY '85 funds, $48,006 was advanced by November, 1985.

1984 Line Items	Budget	1985 Line Items	Budget
Salaries	$ 0	Salaries	$ 0
Space & Utilities	0	Space & Utilities	0
Supplies & Equipment	0	Supplies & Equipment	0
Communications & Postage	0	Communications & Postage	0
Travel & Per Diem	0	Travel & Per Diem	0
Consultants' Fees & Expenses	20,000	Consultants' Fees & Expenses	71,000
Benefits, Allowances & Taxes	0	Benefits, Allowances & Taxes	0
Contractual Services	0	Contractual Services	0
Other Direct Costs	0	Other Direct Costs	0
Support Grants	16,000	Support Grants	4,000
TOTAL	$ 36,000	TOTAL	$ 75,000

Funds disbursed to date:

FY '84:	$ 35,939
FY '85:	$ 48,006

Projected date for the disbursement of all funds: June, 1986

IX. CONCLUSIONS

The recent press stir over FTUI funded programs in France, and the Congressional decision to cut labor's Endowment funding raise serious questions for both the Endowment and Congress as to what shape NED will take. How both react will determine whether NED will continue to function as a private entity, relying mainly on non-governmental organizations to follow their own foreign policies and to develop supportive relationships with their counterparts abroad. It was the intention of those who proposed the Endowment's creation that it be the one place in American political life where the most representative organized groupings in the nation could sit down together and plan comprehensive strategies to promote democracy.

All the groups that put the NED together also insisted on the preservation of their own independence. After all, it had taken quite a leap of faith for the AFL-CIO to sit down with the U.S. Chamber of Commerce, for the Republican Party to join together with the Democratic Party, and for all of these groups to agree that there might be instances in which they could work together to help foreign interest groups forge democratic development. None of these groups, then or now, was willing to have such cooperative possibilities transformed into either NED or government control of their respective foreign policies.

Now these fundamental characteristics of what the NED was intended to be are being called into question as the legislative process and the Endowment's reaction to it produces more and more oversight inquiries and accountability requirements, many in response to press criticism. In addition, the funding of one major sector, labor, has been cut drastically as the result of this same series of unfriendly press stories, with the implication that it was somehow guilty of violating NED policy, running "secret" programs, and cooperating with "dubious" organizations. More such stories can certainly be expected. If every time such a story appears new restrictions on NED grantees are imposed, it surely will not take very long before the Endowment bears scant resemblance to the private non-governmental institution its founders intended. If this occurs we will have turned many friends into disappointed enemies. Certainly labor's friends -- democracy's friends -- have lost out as a result of Congressional action.

All of this is not to say that some legitimate questions have not been raised, though most of them were on the table long ago and were addressed by the Endowment's founders. In our view they include the issue of secrecy, whether the programs funded were within the scope of the Endowment's own stated purposes, the appropriateness of funding programs in developed democracies, and the fundamental character of the organizations that received the money, most particularly the Union Nationale Inter-universitaire. We have attempted to answer the questions related to these issues in the various sections of this report. We think that what we did and how we did it are proper. We

FREE TRADE UNION INSTITUTE

Cash Disbursements to Organizations in France
December 2, 1985

Organization	FY 1984 Budget	FY 1984 Disbursements	Date of Last Disbursement	FY 1985 Budget	FY 1985 Disbursements	Date of Last Disbursement	Total Budget	Total Disbursements
Force Ouvriere	$330,000	$329,636	5/17/84	$500,000	$ 83,172	8/19/85	$ 830,000	$ 412,808
Institut D'Histoire Sociale	25,000	24,966	10/5/84		-0-		25,000	24,966
Institute for the Rights of Man	10,000	10,015	5/17/84		-0-		10,000	10,015
Institut Sino-Sovietique	36,000	35,939	10/29/84	75,000	48,006	11/5/85	111,000	83,945
Que Me	27,000	27,000	4/2/85	53,000	20,000		80,000	47,000
Union National Inter-Universitaire	275,000	275,490	10/5/84	300,000	227,493	8/19/85	575,000	502,983
TOTAL	$703,000	$703,046		$928,000	$378,671		$1,631,000	$1,081,717

did not violate Endowment policy. We wish the Congress had waited for this evidence before cutting our program.

But, more fundamentally, given the Congressional reaction to recent events, we are disturbed that the Congress, even the Endowment itself, will now move in the direction of trying to sit in for the AFL-CIO in the development of labor's foreign policy. Certainly a demand for even more paper and more numbers implies that someone else is better equipped to make decisions about our programs than we are. This is a conclusion we totally reject.

The AFL-CIO believes in the original concept of the Endowment as one in which a bi-partisan board would insure that no public funds are spent on anti-democratic activities. We supported the hope that the members of this same board, because of their representative composition, could reason together in targeting aid to private interests that wanted it in countries where the democratic prospect was particularly hopeful or in special danger. Government was to keep its distance from NED, except to insure that there was no misuse of funds.

Whatever comes of all of this, and we do indeed hope that NED will fight for its own identity and that the Congress will come to understand the importance of preserving NED's essential character, the AFL-CIO and its Free Trade Union Institute will not bow to a set of strictures that compromise our independence or attempt to make our foreign policy for us.

Appendix A	Bibliography of News Stories on NED/FTUI since November, 1985
Appendix B	Press Reports
Appendix C	Letter to the New York Times from Eugenia Kemble
Appendix D	Memorandum to Carl Gershman from Eugenia Kemble
Appendix E	Statements from FTUI Grant Recipients in France
Appendix F	Statement from the UNI and a List of Prominent UNI Members
Appendix G	The Center for Investigative Reporting

Appendix A Bibliography of News Stories on NED/FTUI since November, 1985

FRANCE

DATE	NEWS MEDIUM	TITLE	AUTHOR/REPORTER
11/26/85	Antenne 2 (TV)	[Report on NED funds]	
11/27/85	Antenne 2 (TV)	"Interview with A Bergeron"	P Rochot
11/27/85	*Liberation*	"Les Fonds Secrets de Reagan en France"	M Schapiro/ A Levy-Willard
11/27/85	*Liberation*	"Rencontre avec Irving Brown"	A Levy-Willard
11/27/85	*Liberation*	"L'histoire chargee de l'Institut d'Histoire Sociale"	A Levy-Willard
11/27/85	*Liberation*	"575,000 dollars par an pour la droite UNI-versitaire"	Alain Leauthier
11/27/85	*Le Matin*	"Les Fonds Americain"	
11/27/85	*L'Humanite* (Communist Party)	"Les Etats-Unis Financent Leurs Copains"	
11/27/85	RTL	"Chronique"	Mme M Gregoire
11/28/85	*L'Humanite* (Communist Party)	"Irving Brown: de la Confection a'la CIA"	Jean George
11/28/85	*France-Soir*	"L'Argent americain sent a gider les syndicalistes refuges"	
11/28/85	*Le Monde*	"Force Ouvriere Aurait recu pres de 8 million de Francs"	
11/28/85	*L'Humanite* (Communist Party)	"De Cotisants en Dollars"	J Santon
11/28/85	*Le Figaro*	"Subventions americains pour Force ouvriere"	J F
11/28/85	*Le Quotidien de Paris*	"Le proces en sorcellerie instruit contre, l'Institut d'histoire sociale"	J L Validre
11/28/85	*Liberation*	"La CGT: les revelations sur l'argent americains de FO sontune operation anti-cegetist"	R P Boullu/ A Levy-Willard
11/28/85	*Le Quotidien de Paris*	"Selon 'Liberation': FO et L'UNI recoivent des subsides des USA"	

11/28/85	Le Quotidien de Paris	"Pourquoi cette Campagne?"	J L Validre
11/28/85	Le Quotidien de Paris	"La response de Force Ouvriere"	A Bergeron
11/28/85	Le Matin	"FO, tous comptes faits"	J P Gonguet
11/28/85	Les Echos	"La Fierte d'Andre Bergeron"	Ph E
11/28/85	International Herald Tribune		R Bernstein
1/29/85	Le Figaro	"Est et Ouest"	
1/29/85	Le Quotidien de Paris	"La Fondation pour la democratic suspend son aide a l'UNI"	
1/29/85	Le Monde	"La versement de Subventions"	
1/29/85	Le Matin	"Le robinet a dollars ferme pour l'UNI"	
1/29/85	Le Quotidien de Paris	"1946: Quand L'AFL et la CIO aident la CGT majorite communiste"	J L Validre
1/29/85	Le Matin	"Dollars:la CGT aussi"	
1/29/85	Liberation	"Les Americans coupent les vivres a l' UNI"	A Levy-Willard
1/29/85	Le Figaro	"UNI dement: aucun lien avec le SAC"	
2/2/85	Le Point	"FO:les fonds de l'affaire"	M T Guichard
2/2/85	Temoignage Chretien	"A quoi joue Reagan?"	F Brochet
2/2/85	Le Matin	"De singuliers syndicalistes americains"	J Kuntz
/4/85	Force Ouvriere Hebdo	"Les Moralistes de Pactoille!"	A Bergeron
/4/85	Le Canard Enchainé	"Dollars ets francs secrets"	
/5/85	L'Evenement	"Reflexions sur un "plouf!"	A Chambraud
/6/85	FEN Hebdo	"L'Argent n'a Pas d'Odeur"	J Pommatau
/7/85	Minute	"Et le financement de la CGT, on en Parle?"	
17/85	Liberation	"Des Subventions pour FO et l'UNI"	A Levy-Willard M Schapiro

SPAIN

DATE	NEWS MEDIUM	TITLE	AUTHOR/REPORTE
11/28/85	El Correo Espanol	"ELA-STV ha recibido"	B Iraburu
11/28/85	El Correo Espanol	"La embajada de Estados Unidos"	
11/28/85	Egin	"ELA-STV recibe dinero"	
11/28/85	Cinco Dias	"Dolares para Sindicato Galo"	
11/28/85	Diario 16	"ELA-STV recibio 40 millones"	
11/28/85	Deia	"El capital americano paga al Fuerza Obrera"	
11/29/85	Deia	"Restan importancia a las ayudas"	
11/29/85	El Correo Espanol	"EE no cree que las ayudas USA"	
11/29/85	El Diario Vasco	"CCOOy LAB critican ELA"	
11/29/85	Egin	"ELA-STV confirma"	
11/29/85	Cinco Dias	"`Dolares' para ELA/STV"	
11/29/85	El Pais	"ELA-STV ha recibido"	
12/2/85	Diario 16	"La Sombra americana"	

UNITED STATES

DATE	NEWS MEDIUM	TITLE	AUTHOR/ REPORTER
11/27/85	"Morning Edition" National Public Radio	"National Endowment for Democracy"	Mara Liasso
11/28/85	NY Times	"Union in France Confirms It Gets US Funds"	R Bernstein
11/28/85	The Washington Post	"Rightist French Students Get Anti-Red Aid"	UPI
11/28/85	The Washington Times	"French right wing getting US funds, Paris Left Charges"	Curtis Cate
11/28/85	The Washington Times	"Endowment suspends aids to French group"	R Fontaine
12/2/85	The Washington Post (Syndicated Column)	"Abandon Solidarity?"	Evans & Nova
12/2/85	Wall Street Journal	"Notable and Quotable"	
12/4/85	Radio Free Europe/ Radio Liberty	"US Congress Considers Funding for Democracy Endowment"	
12/4/85	NY Times	"Democracy Project Facing New Criticisms"	B A Franklir
12/5/85	The Washington Times	"Congress restores funding for anti-communist effort"	G Archibald
12/6/85	The Houston Post (Syndicated Column)	"Funding Democracy"	G A Geyer
12/6/85	Radio Free Europe/ Radio Liberty	"Endowment"	
12/9/85	The Washington Times	"French unions losing clout"	The Economis
12/10/85	The Village Voice	"Undermining Mitterrand"	J Ridgeway
12/17/85	The Wall Street Journal	"The Mouse That Tried to Roar"	Editorial
12/22/85	N Y Times	"Finder's Keepers"	W Safire
12/23/85	New Republic	"NED to the Rescue"	M Schapiro/ Annette Levy
12/30/85	N Y Times	"Democracy Undermines Democracy"	Editorial
1/20/86	New Republic	"Planting Seeds of Democracy"	Editorial
1/12/86	CBS Evening News	"NED"	D Andelman

OTHER

DATE	NEWS MEDIUM	TITLE	REPORTER/AUTHOR
12/19/85	Wall Street Journal (Europe)	"A Hero of Our Time: AFL-CIO's Brown in New Battle"	Seth Lipsky

PORTUGAL

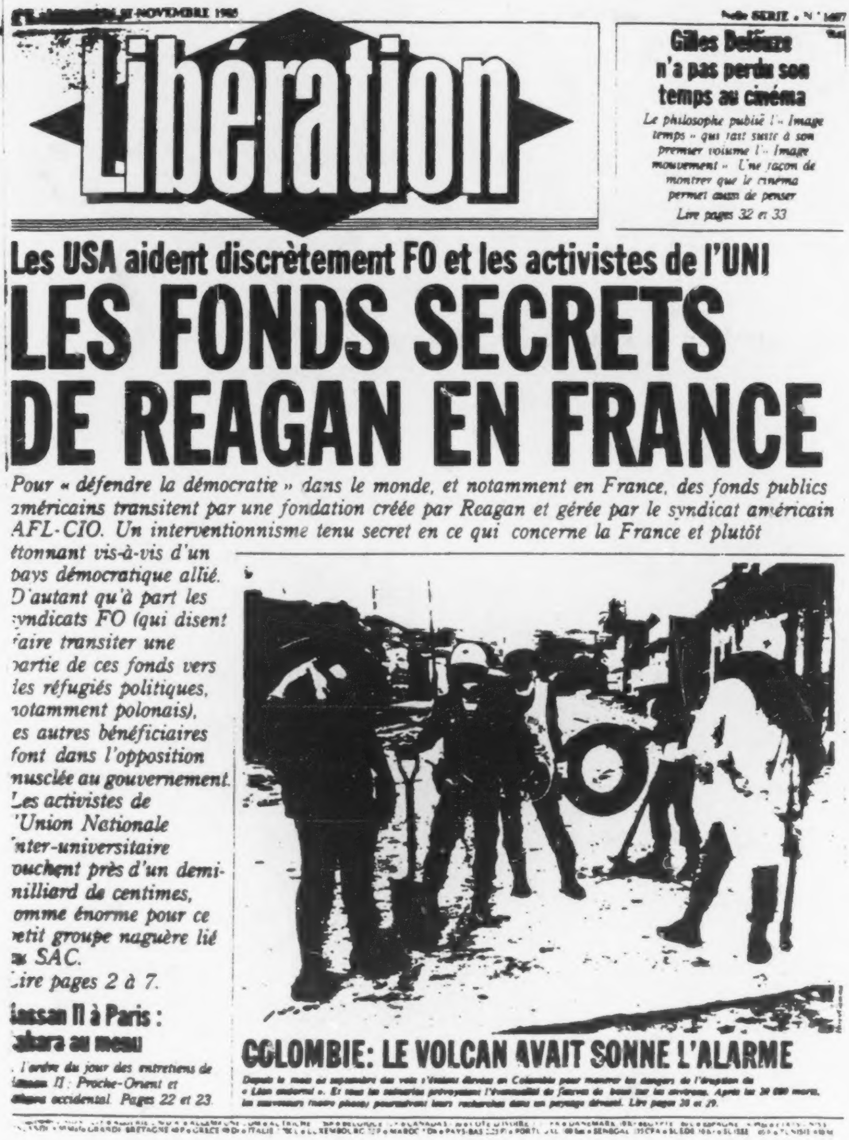
DATE	NEWS MEDIUM	TITLE	REPORTER/ AUTHOR
11/28/85	O Diario (Communist Party)	"UGT recebeu Funds"	
11/28/85	Diario de Noticias		
11/28/85	A Tarde	"UGT Reconnece"	
11/28/85	O Dia	"UGT sibsidiada pelos ELA"	
11/28/85	O Dia	"Liberation' revela"	
11/28-11/29/85	News items on the FTUI grants in Portugal were featured on several radio broadcasts		
11/29/85	O Diario (Communist Party)	"UGT confessa financiamentos"	
11/29/85	Diario Popular	[Statements from Irving Brown]	
11/29/85	O'Dia	"Nao ha nada de secreto"	
11/29/85	Diario Lisboa	"ELA financiam secretamente a UGT"	D Ribeiro
11/30/85	A Capital	"UGT recebe verbas dos EUA?"	
11/30/85	O Diario (Communist Party)	"O Diario ja disse"	
12/10/85	O Diario (Communist Party)	"Organizacoes britanecase tamben financiadas por Reagan"	

UNITED KINGDOM

DATE	NEWS MEDIUM	TITLE	AUTHOR/ REPORTER
11/28/85	The Guardian	"Reagan Fund Paid $830,000 to French Right-wing unions"	Paul Webste
12/7/85	The Economist	"French Trade Unions"	
12/8/85	Manchester Guardian Weekly	"Union Receiving Secret US Funds"	
12/9/85	The Guardian	"Britons Get Reagan Slush Money"	D Palliser/ Andy Weir

Appendix B Press Reports

A copy of the entire original Liberation report is attached. An excerpt from that seven-page report has been translated into English. Additionally, the text of Mark Schapiro and Annette Levy's New Republic article is attached, as it replicates many of the arguments made in their Liberation report of November 27, 1985.



NOVEMBRE 1985

SERIE

Libération

Gilles Deleuze n'a pas perdu son temps au cinéma

Le philosophe publie l'« Image temps » qui fait suite à son premier volume l'« Image mouvement ». Une façon de montrer que le cinéma permet aussi de penser

Lire pages 32 et 33

Les USA aident discrètement FO et les activistes de l'UNI

LES FONDS SECRETS DE REAGAN EN FRANCE

Pour « défendre la démocratie » dans le monde, et notamment en France, des fonds publics américains transitent par une fondation créée par Reagan et gérée par le syndicat américain AFL-CIO. Un interventionnisme tenu secret en ce qui concerne la France et plutôt étonnant vis-à-vis d'un pays démocratique allié. D'autant qu'à part les syndicats FO (qui disent faire transiter une partie de ces fonds vers les réfugiés politiques, notamment polonais), les autres bénéficiaires sont dans l'opposition musclée au gouvernement. Les activistes de l'Union Nationale Inter-universitaire touchent près d'un demi-milliard de centimes, somme énorme pour ce petit groupe naguère lié au SAC.

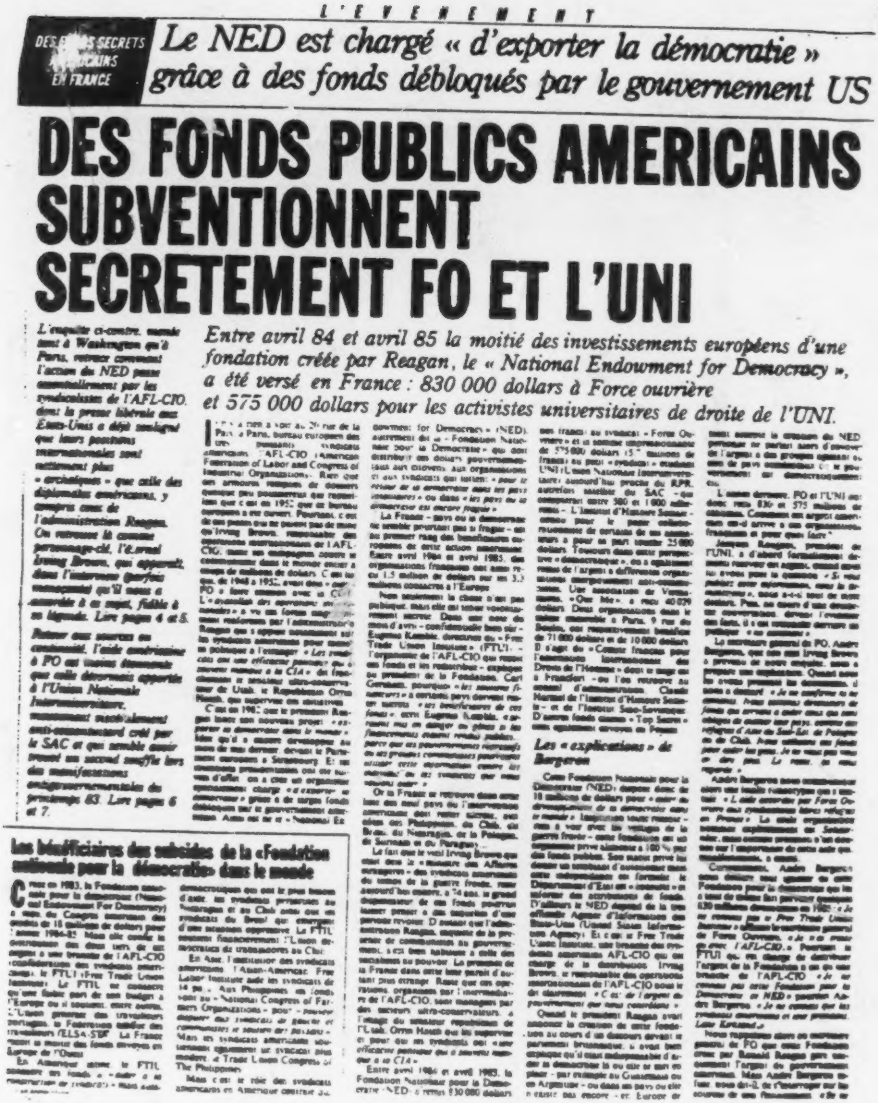
Lire pages 2 à 7.

Hassan II à Paris : Sahara au menu

L'ordre du jour des entretiens de Hassan II : Proche-Orient et Sahara occidental. Pages 22 et 23.

COLOMBIE: LE VOLCAN AVAIT SONNE L'ALARME

Depuis le mois de septembre des voix s'étaient élevées en Colombie pour montrer les dangers de l'éruption du « Lion endormi ». Et tous les scénarios prévoyaient l'éventualité de fleuves de boue sur les environs. Après les 20 000 morts, les sauveteurs (notre photo) poursuivent leurs recherches dans un paysage dévasté. Lire pages 28 et 29.



L'EVENEMENT

DES FONDS SECRETS AMERICAINS EN FRANCE

Le NED est chargé « d'exporter la démocratie » grâce à des fonds débloqués par le gouvernement US

DES FONDS PUBLICS AMERICAINS SUBVENTIONNENT SECRETEMENT FO ET L'UNI

Entre avril 84 et avril 85 la moitié des investissements européens d'une fondation créée par Reagan, le « National Endowment for Democracy », a été versé en France : 830 000 dollars à Force ouvrière et 575 000 dollars pour les activistes universitaires de droite de l'UNI.

Les « explications » de Bergeron

Les bénéficiaires des subsides de la «Fondation nationale pour la démocratie» dans le monde

EDITORIAL

RENE PIERRE BOULLU

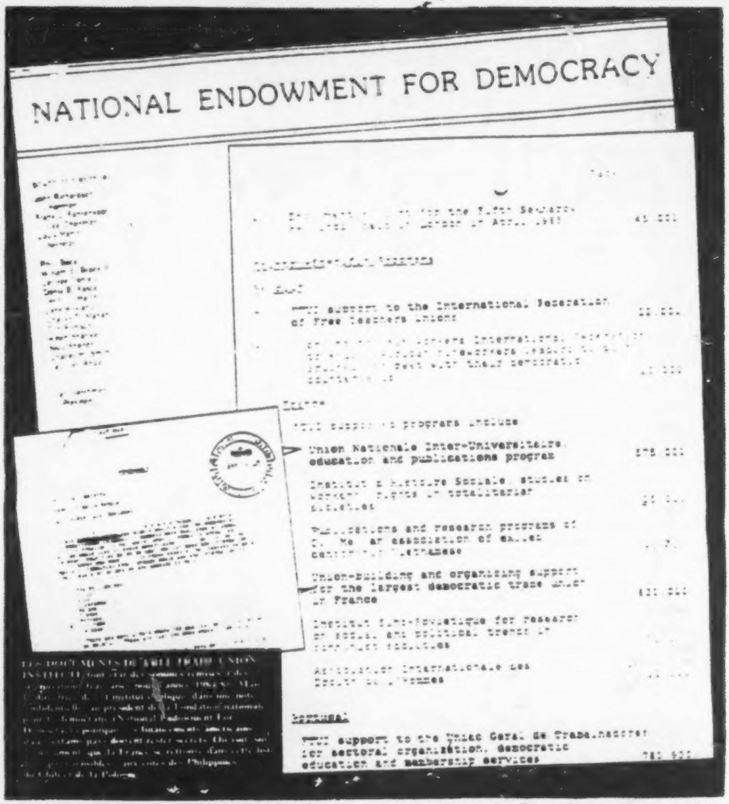
les mauvaises manières

Le financement de FO par les Américains est en France un vieux [illegible], et une certaine façon de le brandir hors de propos est un des stéréotypes de la CGT. Au vu de l'état actuel de la CGT, le syndicalisme communiste et l'anti-américanisme primaire sur lequel il s'appuyait, ne font plus recette. En somme, chacun devrait rétrospectivement considérer comme positif qu'après la guerre, Irving Brown ait distrait quelques millions de dollars du plan Marshall pour contrecarrer l'influence stalinienne dans la CGT, sinon pour la scissionner. La suite de l'histoire a suffisamment montré que ça ne transformait pas les militants FO en mercenaires. Ce n'est ni le machiavélisme des très conservateurs syndicalistes américains, ni on ne sait quel [illegible] de dollars [illegible] à flot qui ont fait de FO la troisième centrale syndicale en France (et la deuxième par son influence électorale). Notons que ces 830 000 dollars n'auraient couvert, l'an dernier, que 10% du budget officiel de FO. Pas de quoi régler le problème lancinant en France du financement des syndicats, tant pour FO que pour sa concurrente cégétiste, dont on connaît les liens étroits avec certains « syndicats » totalitaires étrangers. En tout cas, si tout ou partie de cet argent, comme le plaide en [illegible] Bergeron, a transité vers les syndicats libres des pays de l'Est, ce serait tout à son honneur. Mais pourquoi la direction de FO, au lieu de choisir la politique de l'autruche, ne revendique-t-elle pas un tel rôle de commis-voyageur de la liberté syndicale ?

Il est pourtant dommage pour l'image de FO – et pour celle de la politique américaine – que ces subventions syndicales voisinent avec celles qui vont aux activités de l'UNI. Ces fonds énormes, relativement à ce qu'est l'UNI, ne reflètent certainement pas l'attitude de l'administration Reagan vis-à-vis du gouvernement de gauche en France, [illegible] rangé, parmi les objectifs secrets de cette « Fondation pour la démocratie dans le monde », entre les Philippines et le Nicaragua. Il est vrai que l'entrée d'un quarteron de ministres communistes au gouvernement avait fait [illegible] certains responsables américains. Ceux qui pensent réellement sur la politique des Etats-Unis [illegible] pourront [illegible], faire la part des choses et [illegible] les meilleures relations avec le pouvoir socialiste, d'autant que l'effondrement parallèle du PCF crevait les yeux des plus [illegible]. Est-ce pour autant par simple inertie administrative que le Congrès américain a très officiellement reconduit ces crédits d'usage douteux qui [illegible], de la part d'une fraction des conservateurs américains, [illegible] de la [illegible], avec une volonté d'interventionnisme qui n'a rien à voir avec des déclarations d'amitié officielles.

L ' E V E N E M E N T

Bergeron : « Je ne veux pas savoir d'où vient l'argent »... ni où il va.



NATIONAL ENDOWMENT FOR DEMOCRACY

Union Nationale Inter-Universitaire, education and publications program

Union-building and organizing support for the largest democratic trade union in France

support to the [illegible] for sectoral organization, democratic education and membership services

LES DOCUMENTS DU FREE TRADE UNION INSTITUTE font état des sommes remises à des [illegible] pour l'année 1984-85. Mais le directeur de l'Institut explique dans une note confidentielle au président de la Fondation nationale pour la démocratie (National Endowment for Democracy) pourquoi les financements américains [illegible] certains pays doivent rester secrets. On voit sur ce document que la France se retrouve dans cette liste [illegible] aux côtés des Philippines, du Chili et de la Pologne.

●●● veux pas savoir d'où vient l'argent ».

Pourquoi l'administration américaine aurait-elle besoin de passer par l'intermédiaire de FO pour aider des réfugiés en France ? Pourquoi ne pas donner directement de l'argent aux associations de réfugiés ? « *Parce que nous, FO, sommes sur place et que Paris est un croisement* » nous répond André Bergeron. « *Dans le passé nous avons déjà eu des accords de ce genre quand il s'agissait d'aider les réfugiés hongrois par exemple. Aujourd'hui il y a la Pologne. Tout cet argent sert à trouver aux gens de quoi vivre, un logement, à les sortir de prison, etc... Ce sont des actions que nous avons toujours menées et dont je m'occupe personnellement.* »

André Bergeron refuse de nous donner aucun détail sur les sommes utilisées – nous ignorons si ces 8 millions 300 000 francs sont officiellement intégrés dans le budget de 62 millions de FO (ce qui en représenterait plus de 13 %). Il justifie aussi son refus : « *Il y a une campagne menée contre nous depuis que nous existons.* »

Les « justifications » américaines

A Washington, le président du NED, Carl Gershman, ne nous donne pas exactement la même explication sur l'utilisation de ces sommes importantes. Il confirme qu'il finance bien FO et l'UNI et nous précise : « *Nous intervenons dans un pays démocratique pour encourager le débat démocratique et nous soutenons donc les organisations qui participent à ce débat.* » Moins avare de chiffres, Carl Gershman nous confie que FO a pour l'instant dépensé la moitié des 830 000 dollars. Quant à l'UNI, elle a déjà dépensé 400 000 dollars sur les 575 000 qu'on lui offre. Les organisations ont jusqu'au mois de septembre 1986 pour continuer à percevoir leurs dollars.

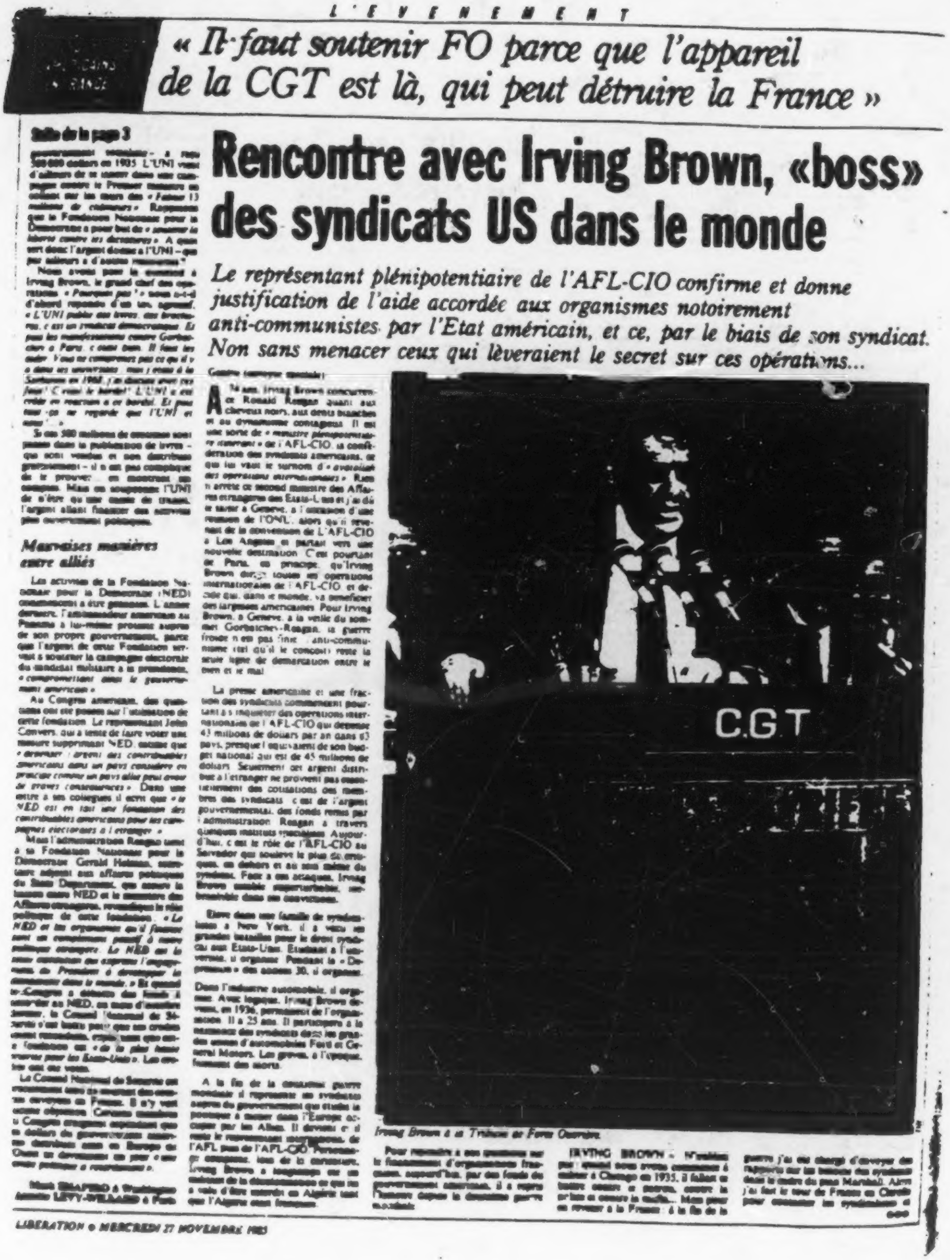
Les propres documents de la Fondation américaine donnent aussi une version différente de celle d'André Bergeron. Dans un texte signé par Carl Gershman, président du NED et Eugenia Kemble, directrice du Free Trade Union Institute, daté du 22 février 1985, on lit que les fonds envoyés à FO vont servir en partie à ce qu'ils appellent : « *la formation civique* », « *apprentissage des procédures parlementaires, de la lutte contre les forces anti-démocratiques, de l'organisation de factions, formation aux techniques d'organisation, aux techniques de manifestation etc.* »

Carl Gershman nous explique le point de vue de la Fondation : « *FO est une organisation qui s'est engagée depuis le début à défendre la démocratie ; en renforçant FO nous renforçons les institutions démocratiques. Puisque FO doit concurrencer la CGT qui est une organisation à but non démocratique.* »

Concrètement, la plus grande partie des 18 millions de dollars de la Fondation va soutenir des syndicats anti-communistes en Amérique latine et en Asie. Mais pourquoi attacher une telle importance à ce qui se passe en France ? Pourquoi ces fonds accordés cette année à FO et à l'UNI sont-ils si importants ? Les 830 000 dollars attribués à FO pour 85 arrivent en numéro 2 dans la liste des bénéficiaires de cette Fondation pour la Démocratie, juste après le « *Trade Union Council of the Philippines* », une coalition syndicale qui vient d'accorder une [illegible] de droite au gouvernement Marcos. La France se trouve-t-elle juste après les Philippines dans ce combat pour le développement de la démocratie ?

Difficile d'expliquer aussi pourquoi l'UNI, syndicat qui s'est fait remarquer dans les grandes manifestations pour l'école libre – et contre la

●●●●



L'EVENEMENT

« Il faut soutenir FO parce que l'appareil de la CGT est là, qui peut détruire la France »

Suite de la page 3

Rencontre avec Irving Brown, «boss» des syndicats US dans le monde

Le représentant plénipotentiaire de l'AFL-CIO confirme et donne justification de l'aide accordée aux organismes notoirement anti-communistes par l'Etat américain, et ce, par le biais de son syndicat. Non sans menacer ceux qui lèveraient le secret sur ces opérations...

Mauvaises manières entre alliés

Irving Brown à la Tribune de Force Ouvrière.

LIBERATION • MERCREDI 27 NOVEMBRE 1985

« C'est la première fois qu'on me pose ces questions. Quel intérêt trouvez-vous à cette histoire ? »

●●●

visiter les usines. Je suis allé en Allemagne, dans les pays Scandinaves. En France, l'aide que nous apportions était distribuée par la CGT, tout le monde était CGT. J'ai d'ailleurs déjeuné avec Benoît Frachon à l'hôtel Crillon réquisitionné. J'étais aussi en contact avec les socialistes parce que j'avais été très ami avec Léon Blum. J'ai longtemps assuré la liaison entre Blum et le Jewish Labor Committee à New York, d'[illegible]. Enfin, sur la base de mes rapports, le syndicat décida d'ouvrir un bureau à Paris pour travailler à la reconstruction avec les syndicalistes européens. Nous avons alors commencé à envoyer de l'argent pour soutenir les mouvements syndicaux libres. Eh bien, cela a continué...

LIBERATION.– On a toujours dit que vous, Irving Brown, avez été le [illegible] de la scission de FO.

I.B – On a soutenu FO mais nous n'avons pas été les seuls. FO a aussi reçu l'appui d'autres syndicats européens. Mais c'est Bergeron qui a fait la scission. Je le connais depuis 1947, quand il était à Belfort, à la Fédération du Livre : il dit ce qu'il pense et il pense ce qu'il dit.

LIBERATION.– A l'époque vous avez aidé financièrement FO. Mais aujourd'hui, en 1985, à quoi servent ces [illegible] dollars que vous venez encore de donner pour l'année passée ?

I.B – FO n'a pas besoin d'argent. Le syndicat vit très bien de ses propres ressources. Les fonds que nous recevons sont utilisés en dehors du travail syndical normal. Bergeron m'a expliqué que c'était pour aider les réfugiés, les syndicalistes polonais et les émigrés. Nous ne voulons pas rentrer dans les détails internes.

LIBERATION.– Depuis deux ans, depuis que le président Reagan a créé la Fondation Nationale pour la Démocratie, vous disposez de sommes très importantes pour vos actions à l'étranger. Pourquoi ?

I.B – Le président Reagan a eu l'idée de créer une institution qui aide les forces démocrates pour la liberté, contre les dictatures. Le budget total du National Endowment for Democracy est de 18 millions de dollars. Nous recevons la plus grande partie de cet argent qui est remis à notre Free Trade Union Institute. Lane Kirkland, notre président, est aussi le président du conseil d'administration de cet Institut. Les deux tiers de l'argent vont à des pays du tiers monde mais nous aidons aussi des syndicats comme les basques de l'ELA STV, l'un des meilleurs syndicats du monde.

LIBERATION.– Vous ne semblez vouloir financer, en France, aucune organisation qui soit de gauche. Plutôt le contraire... Les syndicats et le gouvernement [illegible] des mouvements contre ce gouvernement élu – et démocratiquement élu ?

I.B – Droite ? Gauche ? Ça ne veut rien dire pour moi. Ce sont des mots. Je ne regarde pas le label, je regarde le contenu. Pourquoi il faut soutenir FO ? Parce que l'appareil de la CGT est toujours là et qu'il peut détruire la France... Nous n'avons pas déclenché la guerre froide, ce sont les Russes qui ont mis fin à la lune de miel. Mais ils ont fait l'erreur de montrer aux Européens ce que sont les Russes.

LIBERATION.– Pourquoi donner chaque [illegible] millions de centimes à un petit «syndicat» conservateur comme l'UNI ? La chose est curieuse.

I.B – Pourquoi pas ? D'abord c'est une question entre eux et notre organisation. Pour moi l'UNI est un syndicat démocratique. Alors vous allez me parler du SAC etc. : moi j'ai été attaqué par le SAC, je sais de quoi je parle. Il y a de tout à l'UNI mais dans les syndicats américains on a bien la mafia... (rires). J'ai trouvé positif ce que l'UNI a fait à Paris contre Gorbatchev, contre le Goulag. Il faut aider les forces démocratiques qui luttent contre eux. Et puis l'UNI a publié des livres, on soutient ses publications.

LIBERATION.– Mais l'UNI s'est aussi distingué dans des manifestations anti-gouvernementales. Or il est bien écrit dans la charte de la Fondation Nationale pour la Démocratie, le NED, qu'il lui est formellement interdit de soutenir une organisation partisane...

I.B – On n'aide pas l'opposition mais certaines choses dirigées dans certaines directions. Opposition ou majorité, la réalité est plus complexe que la division en deux camps. C'est un panier de crabes.

LIBERATION.– Alors pourquoi ne pas donner aussi de l'argent à la CFDT, par exemple ?

I.B – Parce qu'ils ne l'ont pas demandé. La CFDT a d'autres soutiens. Comme la CGT. Le problème, c'est que nous, nous sommes transparents, démocratiques, nous faisons les choses ouvertement. Alors que personne ne peut prouver d'où vient l'argent de la CGT. Voilà la différence entre démocratie et dictature.

LIBERATION.– Pas si transparents puisque dans une note confidentielle adressée au président de la Fondation, on précise que les financements en France doivent rester secrets... On range la France sur une liste entre le Paraguay et la Pologne.

I.B – Comment avez-vous eu cette note ?

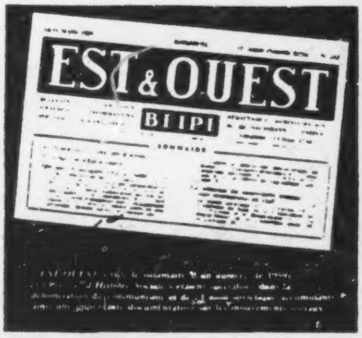
LIBERATION.– Aux Etats-Unis.

I.B – Qui vous l'a donnée ?

LIBERATION.– ...

I.B – Quel métier faites-vous ? Journaliste ou flic ? C'est la première fois en quarante ans qu'un journaliste français me pose toutes ces questions. Quel intérêt trouvez-vous à cette histoire ? Vous faites un travail de flic. Tout ça regarde FO et nous. Faites ce que vous voulez, mais si *Libération* publie cette histoire, le journal est définitivement classé...

Propos recueillis par
Annette LEVY-WILLARD



EST-OUEST : voici le sommaire d'un numéro de 1956. [illegible] Institut d'Histoire Sociale s'étaient spécialisés dans la dénonciation du communisme et de [illegible] accumulant [illegible] documentation sur les mouvements sociaux.

L'histoire chargée de l'Institut d'Histoire Sociale

L'IHS, qui bénéficie également du soutien américain, regroupe sous la bannière anti-communiste, toute une gamme de personnalités de tous bords, mais surtout de droite et d'extrême droite. Parmi ses parrains, deux personalités de la Collaboration.

Curieuses personnalités que celles qui gravitent autour de l'Institut d'Histoire Sociale, cet institut qui a reçu cette année 25 000 dollars de la Fondation Nationale pour la Démocratie. Recréé en 1954 par Boris Souvarine, (figure de proue de l'antistalinisme de gauche), il rassemble alors autour de la bannière anti-communiste Claude Harmel et Georges Albertini qui dirigeaient alors la revue *EST-OUEST*. Claude Harmel sera d'ailleurs le secrétaire général de l'Institut d'Histoire Sociale du Travail. On le retrouve aussi au conseil d'administration d'un autre institut financé, par la même source américaine, le Comité pour l'Association Internationale des Droits de l'Homme dont le siège est en RFA, à Francfort.

Claude Harmel a un passé de collaborateur comme la majorité de l'équipe qui publiait la revue *EST-OUEST*. Idéologue du Rassemblement National Populaire de Marcel Déat, il se répandait à l'époque, sous le pseudonyme de Guy Lemonnier, en discours hitlériens, racistes et antisémites. A titre d'exemple : *« Voici que s'ouvre pour la race blanche l'espoir d'une troisième époque dont les soldats allemands écrivent aujourd'hui les premières pages »* ou *« La pensée rationaliste [illegible] par des cerveaux [illegible] retournait, en notre démocratie pourrissante, au fétichisme des primitifs. »*

Il œuvre à EST-OUEST et à l'Institut d'Histoire Sociale côte-à-côte avec Georges Albertini, qui était, lui, secrétaire général du Rassemblement National Populaire. Devant le RNP, Georges Albertini déclenchait les applaudissements de la salle en annonçant : *« on peut être sûr que demain l'Allemagne victorieuse réglera en Europe le problème juif ... Ce pays n'est pas antisémite, il faut qu'il le devienne... »*

Ces deux personnages de la Collaboration, plus ou moins vite «absous» après-guerre, ont été rejoints au conseil d'administration de l'Institut d'Histoire Sociale par des jeunes formés à l'extrême-droite tels que Christian de Bongain (alias Xavier Raufer), ancien militant d'Occident, et Yves Van Ghele, ancien militant d'Ordre Nouveau et d'autres. Beaucoup de ces activistes d'extrême-droite se sont recyclés au RPR.

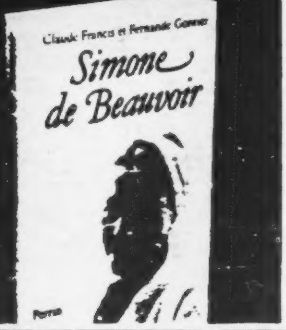
Mais des personnalités moins «marquées» participent également aux activités de l'Institut telles que Michel Junot, vice-président de l'Institut en 1983, adjoint au maire de Paris et médiateur de la mairie de Paris et Morvan Duhamel qui dirige aujourd'hui l'IHS. Spécialisé dans l'accumulation de documents sur le communisme et l'Union Soviétique, l'Institut d'Histoire Sociale a réussi, comme son équivalent aux Etats-Unis, le fameux Hoover Institute à Standford, à constituer une remarquable bibliothèque de référence pour l'étude des mouvements sociaux, dont profitent de nombreux chercheurs et quelques «décideurs» syndicaux ou patronaux.

A.L.W.

La première biographie
de l'auteur du
Deuxième Sexe

"Il est rare de posséder un monument vivant. Plus rare que ce monument soit une femme qui écrive électivement sur les femmes... Claude Francis et Fernande Gontier nous offrent enfin son histoire entière, dévoilant des pans restés dans l'ombre, utilisant des correspondances inédites et donnant enfin toute son humanité à ce personnage un peu mythique et figé qu'était Beauvoir, pourtant l'écrivaine la plus lue dans le monde."

BENOÎTE GROULT
"LE GRAND LIVRE DU MOIS"



DES FONDS SECRETS AMERICAINS EN FRANCE

La filiation de l'UNI avec le SAC (Service d'action
par la commission d'enquête parlementaire sur la

575 000 dollars par an pour la droite UNI-versitaire

L'UNI, syndicat universitaire lié au SAC, qui copine aussi volontiers avec Le Pen qu'avec le RPR, reste très discrète sur l'utilisation qu'elle fait de la manne venue d'outre-Atlantique.

On ne prête qu'aux riches. L'Union nationale interuniversitaire (UNI), une des principales bénéficiaires hexagonales de la manne américaine, a tellement suscité de rumeurs qu'il lui est devenu impossible de toutes les démentir.

Annexe du Service d'action civique, le fameux SAC dissous en 1982 ? Façade respectable pour l'extrême droite musclée ? Sous-marin du gaullisme de choc ? Aucune de ces hypothèses, en réalité, n'est tout à fait inexacte. Comme la FEN pour la gauche, l'UNI, toutes proportions gardées, est en milieu étudiant et enseignant, un savant, sinon harmonieux, mélange de plusieurs composantes de la droite française.

Cet œcuménisme marqué au coin de l'anti-marxisme a déjà dû séduire par le passé quelques vertueux défenseurs des démocraties fortes. Il y a pourtant fort à parier que l'UNI se sera surtout signalée à leurs yeux, au point de mériter leurs largesses, au cours des deux dernières années.

L'ANTI-MAI 68

Mai 1983 : une certaine jeunesse estudiantine fait à son tour l'apprentissage de la rue. *Remake* assez pâlichon de « l'insurrection étudiante », le parallèle avec 68 ne tarde guère à tourner. Cette fois, le ministre de l'Éducation brocardé est de gauche, les « étudiants en colère » penchent à droite, et jamais le mouvement ne débordera les chemins de quelques facultés conservatrices.

En revanche, au fil des semaines, la tonalité très anti-gouvernementale ne cessera de s'affirmer. Au cœur du mouvement : l'UNI. Prise de vitesse au début, l'organisation a vite repris en main le charivari général. Avec l'efficacité et la méthodologie que donne le poids de l'expérience.

À la guérilla urbaine, à laquelle certains de ses militants ne rechignent toutefois pas, elle préfère des actions plus carrées et sérieuses. Mais pas moins politiques pour autant. Le résultat, c'est la grande manifestation du 24 mai 1983, qui marquera tout à la fois l'apogée et la fin du bref « printemps » de la droite universitaire [illegible] en deux temps parfaitement [illegible] de [illegible]

[illegible] des manifestations [illegible] traditionnaires et, tout autour, la masse admirative et respectueuse des « étudiants en colère ». Une vision du monde bien dans la philosophie de l'UNI. Ensuite, ces représentants, le dessert « pavés » et pousse-café « cocktail Molotov ». L'Union, bien sûr, ne participe pas, puisque par définition ses incontrôlés n'ont que l'étiquette de leur anonymat...

NI PARTI, NI SYNDICAT

Depuis ses origines, en 1969, l'UNI a constamment ménagé cette osmose étudiants-enseignants, à laquelle il faut aussi ajouter les « professionnels » de la corporation. C'est même une de ses plus notables particularités : à l'inverse des gauchistes, ou plus simplement des gauches en général, l'Union refuse toute fracture, toute division du monde universitaire mais aussi de l'ordre social. Ainsi, après sa naissance, « *en réaction à l'offensive marxiste dans les universités* », on trouve à sa tête un assistant à la faculté des lettres de Paris, Jacques Rougeot, un professeur de mathématiques, René Debeauvais, une étudiante originaire de Hongrie, Suzanne Marton, le directeur général de Locatel, Jacques Guggenheim, etc. etc.

Tout est prêt pour la future croisade anti-communiste. Mais attention : l'UNI ne fera pas strictement de la politique. Au titre de « support » d'un parti. Fût-il de droite. C'est en tout cas ce que semble expliquer son président actuel, Jacques Rougeot, devenu entre-temps maître-assistant à Paris-IV.

« *Nous aspirions et nous aspirons toujours à être une force qui a une influence particulière dans son domaine propre : le monde universitaire. Mais par ailleurs nous n'avons jamais considéré l'université comme une entité en soi, avec des intérêts corporatistes, mais plutôt comme partie d'un ensemble solidaire. Agir à l'université suppose donc aussi d'agir sur l'environnement.* »

Cette dernière phrase résume assez bien l'ambition avouée, à défaut d'être exclusive, de l'UNI : ni parti politique, ni syndicat universitaire, l'organisation entend se positionner comme une force autonome, avec sa propre logique et une dynamique qui ne doit rien aux autres composantes de la droite française.

L'OMBRE DU SAC

La définition de Rougeot prend aussi une saveur très particulière quand on la rapproche avec un pan d'histoire sur lequel M. le président demeure beaucoup plus discret. Longtemps niée, la filiation directe de l'UNI avec le fameux Service d'action civique (SAC), mouvement fort peu « éducatif », est en effet devenue un secret de polichinelle. Surtout depuis que la commission d'enquête parlementaire sur le SAC, créée en 1982 un an après la tuerie d'Auriol, l'a solennellement établie : « *L'UNI*, dit le rapport, *fut à l'origine un mouvement satellite du SAC et aujourd'hui encore lui est étroitement associé. Le SAC a largement favorisé sa constitution et son implantation.* »

La preuve, parmi tant d'autres, la déposition de Georges Seigneuret, responsable de l'organisation dissoute pour la région parisienne : « *Au SAC, nous ne pouvions utiliser des jeunes gens de 18 ou 19 ans car ils sont parfois trop vifs. Cela ne pouvait pas aller pour eux. Quand il s'en présentait, nous les envoyions à l'UNI.* »

Pas assez édifiant ? Il y a mieux. Le responsable SAC pour le Rhône, un dénommé Farge, indique qu'on lui a demandé — « *l'ordre est venu de Paris* » — de participer à la création de l'UNI à Lyon. En 1972, ce sont des militants du SAC qui assurent la

•••

L'UNI a mené campagne active contre Gorbatchev, lors de sa visite à Paris le 1er octobre dernier

En 83 et 84, l'UNI a lancé ses troupes dans le conflit de l'école privée, afin de radicaliser le mouvement contre le gouvernement.

PARIS-CHAMP DE MARS
SALON DES
ANTIQUAIRES
22 NOV - 1er DEC
ECOLE
MILITAIRE

L'ÉVÉNEMENT

civique) a été établie tuerie d'Auriol

●●●

« bon déroulement » des élections universitaires dans les locaux de la Sorbonne. Une dizaine d'entre eux sont tout spécialement chargés de protéger le bureau de vote du professeur Frédéric Deloffre, un des fondateurs de l'UNI.

Tout cela est bien vieux, dira-t-on. En 1983, deux enseignants de l'UNI se présentent et sont élus au Conseil national de l'enseignement supérieur et de la recherche (CNESER) : André Decocq et Jacques Goudet sont aussi d'anciens membres éminents de la section SAC de Lyon.

LE RÔLE DE DAURY

Faut-il enfoncer un peu plus le clou ? On peut alors citer le nom de Gérard Daury. Ce chercheur, dont Rougeot ne conteste pas l'appartenance à l'UNI, collectionne les titres de gloire. En juillet 1981, la police interroge longuement pour l'affaire de la tuerie d'Auriol [illegible] n'est-il pas membre du bureau national du SAC depuis 1974 ? On le découvre en bonne place aux côtés de Pierre Debizet, le grand patron du SAC, dans un rapport que les RG ont consacré à l'organisation para-gaulliste.

À l'évidence, il ne s'agit pas de n'importe quel militant cultivant en [illegible] sa double appartenance. Daury en personne donnera l'ordre au SAC-Lyon de créer une section UNI sur la ville. C'est Daury encore qu'on retrouve aux côtés de Frédéric Deloffre, en Angleterre, au mois de juin 1978, lors d'une conférence internationale sur « l'OTAN et la menace [illegible] ». Celle-ci a été préparée par deux instituts anglais, liés l'un aux services secrets de sa Gracieuse Majesté, l'autre à la CIA.

Cette dernière connexion explique-t-elle que l'UNI ait été généreusement arrosée par les Américains ? [illegible] pas une réponse de Jacques Rougeot. Après avoir une première fois nié les faits, il a, plus raisonnablement, refusé de nous les commenter : « *Nous essayons de diversifier au maximum nos revenus afin de préserver notre indépendance. Le reste ne regarde que* [illegible] » À quoi servent donc les 5 000 dollars qui semblent [illegible] le président de l'UNI ?

Évidemment, l'organisation a de gros frais. Depuis deux ans, notamment, elle s'est montrée particulièrement prodigue en campagnes d'affichage, de tracts, d'auto-collants (une [illegible] de la maison) ou de [illegible] sur les sujets les plus [illegible]. La dernière en date, intitulée « l'Église et la subversion », est une attaque en règle contre le Comité catholique contre la faim et pour le développement (CCFD).

Les actions du CCFD, peut-on lire sous la plume de Guillaume Maury, [illegible] *très diversifiées et relayées dans* [illegible] *de paroisses et d'écoles libres.* [illegible] *consistent à diffuser l'idéologie* [illegible]. *Le* [illegible] *entre marxisme* [illegible] *de la société sans classe de Karl Marx, la théologie de la* [illegible] *qu'il voudrait* [illegible] *la révolution, des opérations de* [illegible] *en Amérique, en Afrique et* [illegible] *à travers le monde.* » À [illegible] cette campagne a été [illegible] par le *Figaro Magazine* qui a [illegible] la prose du sieur Maury. [illegible], on le voit, fidèle à ses ambitions, est loin de se cantonner aux problèmes universitaires.

[illegible]RE LE PEN ET LE RPR

[illegible] 1983 et 1984, elle s'est [illegible] dans le conflit [illegible] enseignement privé, imposant ses [illegible], ses banderoles et ses [illegible] la série de manifestations qui [illegible] vaciller le pouvoir socialiste. [illegible] dans l'affaire [illegible] on ne peut [illegible] politique. Dès [illegible] radicalement contre la gauche un mouvement qui, malgré l'avis des responsables les plus modérés de l'épiscopat ou de l'UNAPEL (1), ne demandait, il est vrai, que ça.

Plus récemment encore, aux côtés de Philippe Malaud, le président du Centre national des indépendants et paysans (CNIP), l'UNI a mené activement campagne contre la venue du Premier soviétique à Paris, collant et distribuant plus d'un million de macarons « *Gorbatchev-Goulag* ». Sans compter des interventions répétées sur les thèmes porteurs du moment : « *La gauche vous trompe, la gauche vous ment* », etc, etc. Tout cela, évidemment, coûte cher. Au point d'absorber la totalité des dons venus d'outre-Atlantique ?

Largement subventionnée (et protégée) du temps du ministère d'Alice Saunier-Seïté, l'UNI, de son propre chef, ne touche plus un centime depuis 1981 des subventions publiques auxquelles elle pouvait prétendre. Le ministère de l'Éducation eut, il est vrai, l'impudence de lui proposer une subvention en rapport avec sa représentativité la plus récente : 1% des voix aux élections universitaires de 1983. De là à crier famine, il y a un pas que Rougeot lui-même n'ose pas franchir.

Certains donateurs individuels seraient, semble-t-il, extrêmement généreux, et des branches du patronat n'hésiteraient pas, dit-on, à verser leur obole. Quant aux partis politiques de l'opposition, l'UNI proteste de sa complète autonomie à leur égard : « *Les doubles appartenances peuvent exister*, concède Rougeot, *mais elles n'engagent que les militants concernés.* »

Pourtant, on n'a pas oublié le soutien très officiel du RPR (en la personne de Bernard Pons) à ses candidats lors des élections au CNESER.

Le Pen, précisément : il en est aussi beaucoup question à l'UNI. N'abrite-t-elle pas moult militants du Front national, ici et là à la tête de certaines sections ? Difficile de savoir toutefois lequel des deux groupes possède le leadership national et s'il en bénéficie à part égale des fonds américains.

Jacques Rougeot, en renard rusé, refuse de choisir entre Chirac, Barre ou Le Pen, mais n'en récuse aucun. De quoi accréditer la thèse de ce spécialiste ex-UNI : « *Aujourd'hui elle cherche à se constituer comme pôle d'attraction unitaire pour l'ensemble de la jeunesse de droite. Dans les faits elle a* [illegible] *tous ses concurrents et surtout s'élargit bien au-delà.* »

La thèse n'est pas invraisemblable. Pour jouer un rôle important dans l'après-86, l'UNI a peut-être intérêt à devenir un peu plus qu'un simple [illegible]. On peut interpréter ainsi la présence de son responsable étudiant, Philippe Seno, sur la liste de Patrick Devedjian, lors des élections municipales [illegible] d'Antony. On peut aussi penser, à l'inverse, que l'UNI roule tout bonnement pour le RPR.

Une chose est sûre : le mouvement de Jacques Rougeot a de l'avenir, et les Américains ne s'y sont pas trompés. Il présente en vertu d'[illegible] ses appartenances, toujours démenties, mais prouvées par des documents, à la World Anti-Communist League (2), est un gage de fermeté idéologique. Contrairement à certaines composantes de la droite classique, l'UNI a peu de chances d'être jamais taxée par des commentateurs [illegible].

[illegible] LEAUTHIER

(1) Union nationale des parents d'élèves de l'enseignement libre, dirigée à l'époque par le « modéré » Pierre Daniel.

(2) La ligue anti-communiste mondiale.

TÊTES D'AFFICHE

Jean-Christophe [illegible]

MAURICE HATTAB

Navigateur sur la musique arabe

Ce soir, les auditeurs de Maurice Hattab (sur Radio Beur, 88.2 MHZ, à partir de minuit) ne vont pas être déçus. La longue interview de Mahmoud Loufti, le directeur de la SACERAL (la Sacem égyptienne) sera émaillée d'extraits du disque sorti chez Horizon-music à partir de bandes radio des années 30-40.

Tout petit, Maurice Hattab vivait à Sousse en Tunisie entre la synagogue fréquentée par sa famille et la mosquée dont le responsable l'avait adopté. Ses grands-parents s'arrachaient les cheveux quand, avant de s'endormir, il faisait le signe de croix appris à l'école des sœurs. Une enfance sous le signe de l'œcuménisme et de la musique orientale : Oum Kalsoum omniprésente, mais aussi les voix tunisiennes de Habiba Messika, Raoul Journo, Lasa Tounissia, la musique Malouf.

Sa famille le met au boulot à 14 ans. À 21 ans, il vient en France, il y a maintenant 25 ans. Il s'exerce à trente-six métiers tels qu'électromécanicien — « *la musique, c'est un courant électrique* » — chauffeur, le prêt-à-porter, la parfumerie, les agences de voyages. Il plonge dans la musique occidentale via Jean-Jacques [illegible] et ses « *grands musiciens* ». Oubli momentané de sa terre-musique.

C'est au début des années 70 que la voix d'Oum Kalsoum le refrappe de plein fouet. Il traverse alors une période très sombre, en butte à des déboires financiers. La voix de « l'Astre de l'Orient » le console, elle ne le quittera plus. « *Chaque année pour la commémoration de sa mort, les Égyptiens sortent de nouveaux enregistrements. À ce moment je fais le voyage pour ramener des documents.* »

Depuis 81, Maurice promène sa douce érudition et ses collections flamboyantes de radio libre en radio libre, tant juives qu'arabes : Radio Soleil Goutte d'or, Radio Soleil Ménilmontant, Radio Maghreb, Radio Communauté, Radio Beur quand ce n'est pas à *France-Culture*. « *La nuit je fais toutes les radios* », explique un auditeur « musulman » qui téléphone à Reinette l'Oranaise invitée pour rappeler des souvenirs de mariages en Algérie. « *Quand* [illegible] Maurice [illegible] musique. »

Car Maurice Hattab n'est pas seulement « Monsieur Oum Kalsoum ». Il s'est également mis au service des grandes [illegible] du Maghreb. [illegible] la grande Reinette. Et Maurice réalise [illegible] ses cassettes (peu souvent en [illegible]) de Habiba Messika, la grande chanteuse tunisienne aux blonds cheveux et à la tunique de louis d'or assassinée tragiquement dans les années trente, de El Hadj M'hamed El Anka, Raymond, Fadila Dziria (la scandaleuse Algérienne). Et toujours Oum Kalsoum.

Des émissions didactiques sans jamais être pesantes, s'attachant beaucoup à l'anecdote, à la vie de l'artiste. « *J'essaye toujours de faire écouter la voix des maîtres que je passe, de remonter le plus loin possible : la musique arabe est un océan sans fond.* »

Une radio « musulmane » voudrait bien se l'attacher, mais ça gêne qu'il soit juif. « *Tant pis pour eux. Cela me navre autant que les réactions* [illegible] *de certains auditeurs des radios juives quand je diffuse des chanteurs arabes. C'est pour cela que je travaille en majeure partie sur les radios beurs où je suis libre de passer sans restrictions mes musiques, mes premières voix, de La Callas à Oum Kalsoum et de Reinette l'Oranaise à El Hadj El Anka. Il me serait agréable que l'on puisse de même entendre sur les radios algériennes Lili Labassi,* [illegible]*, Reinette, Line Monty, qui font partie de leur patrimoine, comme les chanteurs arabes sur les radios juives.* »

Prenons Maurice qui met de la musique sur le feu.

[illegible] HIRST

Isabelle Bouillot
Gabriel Pallez

DEUX INTERIMS POUR LES BANQUES NATIONALISEES

Un inspecteur des Finances de 60 ans, directeur de l'Assistance publique depuis 16 ans, et une jeune énarque de 36 ans, ancienne directrice adjointe du cabinet de Jacques Delors, seront nommés, aujourd'hui, en conseil des ministres, présidents respectivement du Crédit commercial de France et de l'Union de banques à Paris. Avec Gabriel Pallez et Isabelle Bouillot, la puissance publique choisit deux hauts fonctionnaires, pour succéder à deux « traîtres » du monde bancaire, Claude Jouven et Lucien Pfeiffer. Le premier en était arrivé à démissionner parce qu'il n'obtenait pas le renvoi du second (voir *Libération* du 16 novembre). Et les deux avaient réglé leurs comptes sur la place publique. Claude Jouven arguant d'un désaccord fondamental avec son actionnaire étatique, sur le choix de ses subordonnés et Lucien Pfeiffer répétant qu'« il ne démissionnerait pas ». Au total, une dispute à grand spectacle dans le secteur public, au moment où le débat politique se focalise sur nationalisation-dénationalisation, alors que Laurent Fabius avait fait passer un mot d'ordre général : « *Pas de vagues* ».

Nul doute qu'avec deux hauts fonctionnaires, les bureaux des PDG de ces deux banques vont retrouver plus calme. Par contre, les employés vont peut-être faire grise mine. Les commentateurs parlent déjà de la double nomination de présidents « intérimaires »... jusqu'en mars 1986. Au CCF où Gabriel Pallez sera le cinquième président en quatre ans, on dépeint certains des [illegible] présidentiels [illegible] dans les couloirs.

of martial law on December 13, 1981. One woman described a recent evening with other former Solidarity people. "Four years ago there would have been lots of discussion. Some people would have been very hopeful, others would have disagreed with them. Today there's nothing to say."

In these circumstances, merely maintaining the status quo is a victory of a kind, and people derive a tremendous sense of accomplishment from the simple fact that Solidarity is still alive. "In the Solidarity period, we said that black is black—and we weren't afraid to say it," another activist explained. "And even now, no matter what the government says, the people still know it. We still have that feeling that we are a free people."

Kuron says that the underground is now, of necessity, "future oriented—educating youth, shaping national culture, consciousness-raising." Another tactic talks about small, independent groups "collecting information and books and distributing them, setting up cooperatives and local committees to take care of shops and child care and kindergartens." The Cartesian Western visitor can't help wondering why the opposition bothers. As Kuron says about other kinds of similar tactics, "We all know that the only benefit of a strike is a simple declaration of our presence." In today's Poland, even that is a great deal.

Kuron insists that what he wants is "not revising but renewing Yalta"—reviving at least some of the demands that the West put to Moscow in 1945. He admits that it might not be possible today to insist on free elections in Poland. But he believes that other demands, for economic reform and genuinely free trade unions, could now be made to stick because "there are political forces here within the country now that can fight for these conditions and defend them." What he envisions is nothing short of democratization, induced by the West, in the heart of Eastern Europe—and he apparently doesn't see much contradiction in either this or the original Yalta formulation, calling for free elections within the Soviet sphere of influence.

NO ONE IS WAITING for active American intervention, and no one expects the formal dismantling of the Soviet system in Europe. Incredibly, it doesn't seem to occur to Solidarity members that the essence of the Soviet system might be precisely its seamless and intractable resistance to the kind of political changes they want. There really is something dreamlike about Poland. These indignant Eastern Europeans still seem to feel that they are entitled to rule of law, to human rights and national sovereignty and a representative government that would respond to "peaceful pressure upon it." Madness? Courage? The Polish national character? Why try to put a label on it? They see, as even I did in my short visit, that Poland is different—and they ask themselves simply: Why not more different? An extravagant question certainly, and probably a dangerous one, but today, five years after the Gdansk agreements, four years after martial law, it is what makes life in Poland livable.

TAMAR JACOBY

Tamar Jacoby is deputy editor of the *New York Times* Op-Ed page.

Où est la démocratie?

NED TO THE RESCUE

THE National Endowment for Democracy seeks to "strengthen democratic ideals and institutions," President Reagan proclaimed in France last May. The mission of the Endowment, established in 1983 by the administration and Congress, is to promote democracy by giving money to citizens' groups, trade unions, scholars, and others in foreign countries. Critics of NED have asked why the U.S. should be interfering in the politics of foreign countries, but the Endowment's supporters argue that in most of the world democratic forces need all the help they can get.

The members of the European Parliament who warmly applauded Reagan's speech might have been surprised to learn that one country where NED officials have decided democratic institutions are in dire need of such aid is France. Two of the biggest beneficiaries of Endowment funding—receiving a total of almost $1.4 million in the last 19 months—are a French white-collar workers' union and a small right-wing student group in Paris. The two organizations have been in the forefront of opposition to the policies of President François Mitterrand.

This is exactly the kind of situation NED skeptics have worried about since the beginning. After all, imagine the fuss if the French government were to give financial support to liberal groups active in opposing President Reagan. Indeed, NED's subsidy is even stranger because the French student group is the offshoot of a paramilitary organization that was outlawed in 1982 because of alleged involvement in bombings, drug smuggling, and gangland-style killings.

Funds from the Endowment are channeled into France through the Free Trade Union Institute, which coordinates worldwide activities for the AFL-CIO. The Institute, whose headquarters are in Paris, was designated by Congress to receive more than two-thirds of NED's $18 million budget in each of the last two years. (Congress has since dropped the requirement.) Most of the Institute's funds are distributed to anticommunist unions in Latin America and Asia. But about ten percent of the U.S. aid stays in Paris.

In April 1984 the Institute gave two-year grants totaling $575,000 to the L'Union Nationale Inter-Universitaire

(UNI), a student activist group that reportedly has less than 1,000 members. At the same time the Institute gave $830,000 to the Force Ouvrière (F.O.), a nationwide union with an annual budget of roughly $5.4 million. Defenders of the grant say it was used to resettle political refugees, but the evidence suggests otherwise. The F.O. is a rival to France's largest labor union, the Confédération Générale du Travail (CGT), which is controlled by the French Communist Party. Only the Philippines, whose democratic institutions are in somewhat more danger than France's, received more assistance from the Institute.

The student organization's credentials as a "democratic institution" are suspect. According to a 1982 French Parliamentary Inquiry Commission, UNI is a "satellite movement" of the Service d'Action Civique, an organization of French Algerians created in 1962 to serve as a security force for right-wing politicians. Over the next two decades SAC evolved into a paramilitary organized crime ring and became more violent. The top SAC official in Marseilles was assassinated along with five family members in 1981, apparently for refusing to turn over incriminating documents to his colleagues. SAC established UNI in 1968 in response to left-wing activism on French campuses. The chief of the Paris branch of SAC told the parliamentary commission, "In fact, we could not use young people of 18 to 19 years of age, they are too uncontrollable. SAC didn't 'move' enough for them when they were introduced [at that age], so we sent them to UNI."

CARL GERSHMAN, the president of the Endowment and former assistant to U.N. Ambassador Jeane Kirkpatrick, defended the aid to the two groups. "We intervene in a democratic country to encourage the democratic debate. We support institutions involved in that process." The F.O., he said, "is competing with an organization [the CGT] that has a nondemocratic orientation." Gershman said that he did not know about UNI's connection to SAC until late November, and said the grant has been suspended until an investigation of UNI's history is completed. But Irving Brown, who oversees activities of the Free Trade Union Institute, admitted he knew about UNI's controversial parent organization when he disbursed the Endowment funds. "I know you will tell me about SAC and everything," he said. "There is a little bit of everything in UNI. We have to help the democratic forces which fight against the Russians."

Asked why it is necessary to bolster democratic institutions in a country with one of the longest and most stable democratic traditions in the world, Gershman responded by citing NED's activities in Guatemala, where the Endowment supported voter education efforts prior to the November 3 elections. "All sides observing the voting there praised the efforts we made to encourage voting, the democratic process," Gershman said.

What is the similarity between France and Guatemala? "It's not France in terms of being a new democracy," he explained. "But they are both sovereign states; they are both sovereign nations. We apply our consistent principles across the board."

The apparent importance of supporting groups operating freely in democratic Western European nations was not mentioned when Reagan persuaded Congress to establish the Endowment in 1983. Rather, the administration portrayed NED as a way to provide support for democratic institutions struggling to get on their feet in formerly authoritarian countries such as Argentina or in dissatisfied Soviet bloc countries such as Poland.

Supporters also insisted that NED's activities would be completely aboveboard. The revelations of covert funding of operations abroad that plagued the CIA in the 1960s and 1970s would be avoided. The United States would be proud to assist people struggling for democracy. To insulate itself from the CIA, NED even refuses to hire current CIA or other intelligence agency employees. Gershman asserts that "what we do has to be able to stand the light of day."

The Endowment has not been completely open about its activities in France. Its most recent annual report did list the grant to the Force Ouvrière. The report described UNI's publishing efforts ("A comprehensive program to provide an effective counterweight to the propaganda efforts of left-wing organizations of professors"), which NED funded, but did not identify the group by name. Gershman says that all recipients will be listed by name from now on. Nor did NED formally notify the Mitterrand government—which the State Department has called "our best anti-Soviet ally in Western Europe"—of its support for two organizations that have been in the forefront of the French opposition. The French government has refused to comment.

Eugenia Kemble, the executive director of the Free Trade Union Institute, has advocated that NED be less forthcoming about its funding. She proposed last April that NED projects in France and eight other countries be secretly funded. In a confidential memo to Gershman, Kemble said that recipients might "either be endangered or embarrassed if specific budgets were published or announced." Kemble noted that "either repressive governments or Communist front groups could use the information to hurt individuals or unions we are seeking to help." This is probably true in Chile, Poland, Paraguay, Nicaragua, and the other countries she listed. But France? Democratic groups there face no repressive government. The CGT is communist-dominated, but the Force Ouvrière and other anticommunist unions are perfectly free to challenge it. If their activities are legitimate, they should welcome public disclosure of their funding and activities. Ironically, the CGT has come to the Force Ouvrière's defense, perhaps because it too is said to receive foreign funding—presumably from Moscow—which it prefers not to disclose.

Gershman claims that he responded to Kemble's memo verbally. "I don't like doing memos like this that some reporter from some crazy French newspaper can get ahold of. I indicated to her my view on this—'Don't come here thinking you can keep these projects from the public. These relationships are subject to full disclosure.' " Gershman says that all such "sensitive" projects would be halted in the future or made public. The House Subcommittee on International Operations has been informed about the "sensitive" operations abroad, according to Richard McBride, a subcommittee aide, but has agreed with Kemble not to release details of the operations to the public. Kemble refused to comment.

Gershman's commitment to "full disclosure" is not shared by the recipients of NED's largess. Gershman, Brown, and Kemble have all confirmed the Endowment's financial support of UNI. Nevertheless, a spokesman for the group still denies it, calling statements that the organization has received funding from the Endowment "a fantasy of journalists."

André Bergeron, president of the Force Ouvrière, said, "I'm not going to confirm or deny it. We have funds that are being used to help people obliged to leave their countries—in southeast Asia, in Chile, in Poland." Bergeron added, "I don't know the Free Trade Union Institute. I have never heard of this Endowment for Democracy." Irving Brown, the director of the Institute, says he has known Bergeron since 1947.

Nor is it entirely clear how the grant to the Force Ouvrière has been spent. Gershman says the money was used for organizing immigrant laborers. Brown and Bergeron say it paid for the resettlement of political exiles and nothing else. But the only specifics they provide are a grant of 80,000 francs (slightly more than $10,000) for the Paris office of Solidarity, the Polish trade union. An internal NED document says the Endowment money supports "education on parliamentary procedure, combatting anti-democratic forces, factional organizing, education on how to organize, how to demonstrate, how to service members, and publication and dissemination of materials."

THE TRUTH is that Endowment grants to groups in countries where democratic institutions are already functioning will inevitably violate the Endowment's rules. These guidelines prohibit any funds from being used on behalf of political candidates. The F.O. and UNI grants were not specifically intended for partisan purposes. But Gershman conceded that Endowment support could have freed the groups to use other funds for more explicitly political purposes.

"You cannot control the individuals involved," he said. "The Endowment is committed to supporting pluralism. The Free Trade Union Institute, which the Endowment supports, enjoys the benefits of freedom. The organizations the Institute supports are engaged in nonviolent acts common to a democracy. The fact that the Endowment supports a project engaging in nonviolent democratic activity—I don't see anything wrong with that."

Of course, there's nothing wrong with "nonviolent democratic activity." But it is not terribly democratic for any government to fund partisan political organizations in another democratic country. The Endowment should have learned this lesson before. Last year, for example, it was revealed that a labor institute in Panama, funded by NED, had contributed approximately $20,000 to the campaign of the military-backed presidential candidate, who won the election by all of 1,700 votes. The U.S. ambassador in Panama sent a classified cable to the State Department urging that "this harebrained project be abandoned before it hits the fan."

MARK SCHAPIRO
AND ANNETTE LEVY

Mark Schapiro is a writer based in Washington, D.C., and an associate of the Center for Investigative Reporting. Annette Levy is a staff writer for the Paris newspaper *Libèration*.

Can Goode recover from MOVE?

LIFE AFTER THE BOMB

Philadelphia

FOR WILSON GOODE, there may be life after the bomb.

Philadelphia's first black mayor was a rising star of national politics. Then, on May 13, after a daylong siege, he allowed his police department to drop an explosive device on the headquarters of a radical cult named MOVE. The device, familiarly known as "the bomb," started a fire that left 11 cult members dead, 61 row houses in ashes, and 250 residents of a black, working-class neighborhood with nowhere to live. Now, seven months later, the mayor of Philadelphia must be listed among the survivors of the MOVE disaster. Not a single Philadelphian of even modest stature is calling for Wilson Goode's recall, impeachment, or resignation.

This is not to deny the severity of his MOVE-related wounds or the instability of his political condition. One friendly city councilman has suggested that the MOVE debacle could become his "Iran—a kind of symbol of what was wrong with the whole administration." Indeed, the words "Goode" and "MOVE" have become forever inseparable. That linkage has caused some civic leaders to believe that the real damage has only begun to appear, that every subsequent setback will only reinforce public disgust with the way he handled his greatest crisis.

Goode himself continues to insist that his political standing is firm: "If I ran today," he says, "I would win." Perhaps. According to a recent poll taken for the *Philadelphia Inquirer*, 70 percent of the public thinks he is doing a good job as mayor, down from a pre-MOVE peak of 79 percent. Yet Wilson Goode is no longer the same man who slew Frank Rizzo in 1983 or who qualified for a vice presidential interview with Walter Mondale in 1984. Would-be candidates are already raising money to run against him in 1987, and portraying the recent electoral defeat of the Democratic candidate for district attorney as an affront to Goode.

L'Humanité, 28 November 1985 (L'Humanite is the daily newspaper of the French Communist Party)

Photo caption: Lane Kirkland is the current president of the AFL-CIO, parent union to FO.

FO's American Subsidies

MEMBERSHIP DUES PAID IN DOLLARS

When Force Ouvrière Was Created, the Communists Revealed the USA's Financial Aid. Yesterday the CGT Condemned Maneuvers Aimed at Destabilizing Militant Trade Unionism, Notably Through Guilt Association

"American public funds are secretly subsidizing FO and UNI" ran the headline in yesterday's issue of Libération.

This is meant to sound like a sensational "revelation," but this so-called secret is an open one. On December 20, 1947, Marcel Cachin denounced the decision of several leaders of the CGT to break away from the main group and to create, that same month, Force Ouvrière. On January 14, 1948, Benoît Frachon, writing in L'Humanité, assailed "General Marshall and his agents in France who will vainly have squandered their dollars" to bring about this schism.

So it is not just yesterday that man first walked on the moon. The contacts of Serge July's daily perhaps do not know ... that FO does not appreciate the government's plan regarding work flexibility. The fact remains that André Bergeron's union did receive 8.3 million francs between April 1984 and April 1985. This operation was indeed supervised by someone close to Reagan, Senator Orrin Hatch, who stated recently that "trade unions have demonstrated an effectiveness in politics that the CIA has often lacked."

It is true also that these funds provided by a "National Endowment for Democracy" were transferred by the man responsible for the international operations of the most important American trade union, the AFL-CIO.

This man, Irving Brown, now 79 years old, had visited France earlier--one year before the founding of FO. Once this blow had been struck against the CGT he became more talkative, stating, among other things, to the newspaper Le Monde in December 1948 that "trade unions must escape from the influence of communism."

But the funds which have recently benefited FO and the rightist student activists of UNI (5.75 million francs) are only a part of the $3.3 million that the CIA, via the AFL-CIO, spends in European countries where "democracy remains fragile."

Here again, these smashing "revelations" need a bit of dusting. In L'Humanité of October 17, 1950, the CGT governing board published the AFL-CIO's bulletin "USA No. 1177."

This document described the decision of the American union to send "experts and technicians in trade unionism" to Europe, who would bring "moral support to the free trade unions in their struggle against communism."

But this support was not just moral. The annual cost of the operation amounted to $150,000 at the time, according to the AFL-CIO. Add this to the destabilizing activities conducted by the CIA through that union in other parts of the world, and it turns out that the AFL-CIO spreads around $250,000 annually.

American subsidization of various French organizations is not, therefore, a "secret" operation, and has not been for a long time. It is a fact, however, that except for L'Humanité which, on this score, was often reviled, everyone has always maintained a golden silence with regard to the subsidies received by FO both at its founding and for its day-to-day operations.

And yet, on May 8, 1967, Walter Reuther, president of the American autoworkers union, declared in Detroit that he had "transferred to various European trade unions funds" he had received for that purpose "from the U.S. intelligence agencies." This was to help "resist communist subversion." On that day Walter Reuther did not make headlines in the French press. Still he was confirming statements made the day before to the Los Angeles Times by Thomas Braden, a former head of the CIA's international department. Braden specified then that CIA funds had contributed to the creation of FO. These funds, amounting to $2 million per year, were paid by Jay Lovestone and ... Irving Brown, his assistant.

This therefore long ago ceased to be a secret. But because these truths appeared in L'Humanité and the CGT press they were squelched. Now that Libération has made them current again, they are an embarrassment to the pundits. That is why, without proof, without the least information pointing that way, they stated yesterday, notably on TF 1 and in Libération, that the CGT "receives help from the Eastern countries."

Ernest Deiss, confederal secretary of the CGT, immediately assailed a campaign based on "the intent to destabilize militant trade unionism."

He rejected "the implications of guilt by analogy and calumny purporting that the CGT does the same things." For his part, André Bergeron yesterday admitted receiving money from the AFL-CIO, but said it had been intended for "refugee assistance." Less defensive about it, his union's board confirmed: "We are proud of it and shall continue."

Jean Santon

A Connection Exposed

ALL IN THE FAMILY

It is never too late to discover America. On the strength of this principle, *Libération* yesterday devoted six pages and its headlines to a "sensational revelation": Washington provides fat subsidies to trade unions, like Force Ouvrière, cultural associations and smaller groups to "help them fight communism." This is an eclectic distribution; the dollar gravy train supplies socialist, rightist and extreme rightist organizations indiscriminately.

Like a new-look sharpshooter, *Libération* reveals a scandal the communists have been assailing, with evidence in proof, since 1947--and have been much reviled for it. Meantime, the facts have come into the public domain. There has been no dearth of investigations, statements, and books on the subject. It is to the point that certain beneficiaries of this foreign manna willingly acknowledge having partaken of it: anticommunism has the effect of cleaning dirty money.

There are those who wonder why a paper which itself has its connections with the Elysee Palace would make a scoop out of a fake tip? Would establishing a link between this pseudorevelation and certain statements regarding work flexibility, as heard notably from the union headed by André Bergeron, simply be an act of gratuitous meanness? The government, which also is socialist, was irritated by such statements. Hence this lesson, accompanied by a warning, given to the unruly pupil. On the whole, it all takes place in the same schoolroom--we might say all in the family.

Serge Leyrac

Le Quotidien de Paris, 29 November 1985

1946: When the AFL and the CIO Were Helping the CGT and Its Communist Majority

o That the militants at Montreuil should swallow without batting an eye the tale that the 1947 union split was engineered from abroad by the U.S.--so be it. No one is supposed to remember that the Communist Party was in power then and that defections from the CGT took place first of all at the initiative of the militants --particularly in the postal and transportation ministries--who refused to follow Monmousseau's watchword, taken up by Thorez: "A strike is a weapon in the hands of the trusts." So be it.

But that Henri Krasucki, who knows his union history perfectly, should lie through his teeth--that is a bit harder to take. Indeed, the CGT general secretary is very much aware that American money came to rebuild the trade union movement in Europe well before the split occurred.

To remove all doubt of this, one need only look at the financial report of the 1946 CGT congress. It reads as follows: "After Paris was liberated, when we moved into the CGT offices, there was not a single franc in the till. We collected a few millions from Resistance funds. The Amalgamated Unions of the Seine gave 1,750,000 francs. Comrade Saillant gave 1,750,000 francs from Resistance funds. Eight million was collected under the designation of Resistance funds. So we started with 12 million." At this point it is proper already to note that these funds the Stalinists delicately describe as funds of the Resistance came from de Gaulle, who distributed them from subsidies provided either by the English or the Americans; free France made no tax collections! The report goes on thus: "Since the Liberation, the American unions of the AFL and the CIO have sent us 31,858,588 francs. Before October 1946, the Americans will send us another $206,818, which is 23 million francs. There will be $75,000 to provide foodstuffs. We also have a $15,000 balance reserved for students." So this is extremely clear. If we understand them correctly, the communists are saying that to receive money from the United States is legitimate provided that they themselves are the recipients of it. Otherwise it can only be smelly money intended for corrupt agitators. The most surprising thing in all this is not the campaign led by the Stalinists. They had done better and worse already on other occasions. It is, rather, that no one, to our knowledge, has explained that the aid FO is said to have so shamefully received had earlier benefited the CGT, with its communist majority. It is obvious that after the split the American trade unions, unless they had been led by madmen, were not going to support groups hostile to the Marshall Plan.

J.-L. V.

Libération, 17 December 1985

SUBSIDIES FOR FO AND UNI:
IRVING BROWN'S DISAPPEARING DOLLARS

The National Endowment for Democracy will no longer be permitted to give more than 25 percent of its aid to a single organization. Thus, the anti-communist network of Irving Brown, in charge of international affairs for the AFL-CIO, loses important resources

Members of the U.S. Congress do not--all--speak French. It is therefore a photocopy of the front-page article of Libération on "Reagan's Secret Funds for France" (November 27), accompanied by a translation, which was given them by Rep. Hank Brown (R., Colorado), and that at the time when Congress was, as it happened, discussing the budget of the National Endowment for Democracy (NED), implicated by our investigation.

The American Congressmen were surprised to learn that they had authorized payment of some $830,000 to FO and $575,000 to the rightist--and extreme-rightist--student union UNI. All that as part of a campaign to "support democracy throughout the world." The reason why the Congressmen did not know to what use had been put funds that they themselves had allocated is that the American trade union AFL-CIO, responsible for distributing 65 percent of these funds, had asked that those earmarked for France remain "confidential." France thus found itself in the same class of countries where American financial aid was to remain secret, alongside Chile, Paraguay, Poland, the Philippines.

The members of Congress, who were to review the budget allocation for this endowment created by President Reagan in 1983 "to export democracy to the world," saw the U.S. press pick up and elaborate on Libération's revelations. Thus New York's Village Voice published an article entitled "Undermining Mitterrand" (10 December), emphasizing UNI's activities in opposition to the government but asserting that this "dollar pipeline" is only "the tip of the iceberg." The Village Voice notes that the Philippines receives the largest amount of funds from this American endowment "to help anti-communist unionists win elections."

Rep. Hank Brown, quoted in the New York Times, asks the Republicans to imagine "how they would feel if they learned that the French Government is giving millions of dollars to the AFL-CIO to oppose Reagan's policies." Reminding his audience that UNI has been associated with the SAC, itself implicated in the shipment of drugs to the United States, the Congressman goes so far as to refer to the "French connection."

He renewed his attacks against the National Endowment for Democracy on Sunday, during a debate on the PBS network. Waving our front page on "Reagan's Secret Funds for France," the Congressman from Colorado declared that this endowment funded a French organization (UNI) "which actively opposes the democratically elected government, whereas these funds are in principle intended to support democratic ideals throughout the world." We note here that France receives near half of NED's budget for Western Europe. To Hank Brown, the funding of French, Spanish and Portuguese organizations results in "subverting the democratic process whereas the opposite is intended." The announcement in Libération that these secret funds are financing the General Union of Portuguese Workers (Uniao General de Trabalhadores) had, for that matter, led to contradictory responses, with the UGT leader beginning by denying this information from abroad, while a spokesman in Lisbon confirmed it.

In Britain also the news about this dollar distribution whetted the journalists' curiosity. The London Guardian ran this headline on December 9: "Britons Get Reagan Slush Money." The Guardian reporters, whom we informed that a small organization, Soviet Labour Review, had received $129,000 in 1985 from the National Endowment for Democracy, discovered that this is a group of Russian émigrés linked with the extreme-right Narodny Trudovy Soyuz (NTS) party.

In the United States, the budget of the National Endowment for Democracy had practically been authorized by the House and Senate. Already NED President Carl Gershman had announced that he was suspending all payments to UNI (which had received $500,000 out of the $575,000 allocated), pending the results of an investigation into the links between UNI and SAC. At the same time he made the announcement that henceforth none of the Endowment's activities would be kept secret.

The honorable members of its board of directors (among whom are Henry Kissinger and Walter Mondale) have in fact unburdened themselves of the task of managing most of the $18 million voted to the Endowment, entrusting 65 percent of it to the AFL-CIO via its international arm, the Free Trade Union Institute (FTUI).

It was Irving Brown therefore, responsible for the AFL-CIO's international operations, who until now had been making the decisions on subsidizing the organizations which did the best job of fighting communism throughout the world. But the "scandal" has caused many of his resources to be taken away... It was too late to deny funding to the Endowment, but an investigating commission is going to look into the accounting and spending of these public funds. And the U.S. Congress has decided that from now on no organization may receive more than 25 percent of NED's budget. The Free Trade Union Institute, which had received between $11 million and $12 million out of the $18 million voted NED, will only have a maximum $4.5 million in public funds to parcel out. The anti-communist--and often extreme-rightist--network that Irving Brown had set up at the end of the war and that had been revived by this new source of financing has thus lost some $8 million. Per year.

Annette Levy-Willard
with Marc Schapiro in
Washington

DO THEY KNOW THEIR MONEY CAME FROM THE CIA?

It is already known that the UGT is financed by a large foreign capital in order to incite divisions in the unions and in the Portuguese labor movement, and thus to weaken their capacity to struggle, to resist and to combat exploitation by management.

It is the old slogan: Divide and conquer...

But for those who still couldn't believe it, these things became clearer. Several days ago, the news broke when the French magazine Liberation revealed that the UGT is one of several organizations that receive secret North American funds. These funds are administered by the CIA under cover of the AFL/CIO, the major American union known for its ties to big business and imperialism.

I saw it in the Portuguese newspapers on the 28th of November.

Mr. Irving Brown, a known CIA agent working in Paris, confirmed the distribution of these funds, and the directors of the UGT knew this, except for Sr. Torres Couto who brazenly denied it...

For example, the campaign started by the dissenters for the support of the Polish Solidarity and of Lech Walesa (with expensive announcements in the press and on the streets...) it was paid for with CIA money.

Another example: The UGT sent more than 200 cadres to the United States "for training purposes", paid for with CIA money.

Thus it is proven, more than once, who the UGT and dissensionists serve and who directs them: big business, the CIA and imperialism.

Therefore "they"--those of the UGT--boycott collective bargaining, lick the boots of the management when the workers struggle for their rights, and support the government and the policies of the right in Portugal. Therefore, the management moves in them in order to try to divide and exploit us yet again.

Here is one more very good reason why all workers must unite around the CGTP-IN--the major union of the Portuguese workers!

USL CGTP-IN

(The CGT-IN is the Communist labor federation of Portugal)

DOAN KET - (SOLIDARITY) N° 376, January 1986

Vietnamese Communist Party in France

Letter from our Readers

"HUMAN RIGHTS" FOR A HANDFUL OF DOLLARS

We knew of two of them - FO and UNI. In fact, there are six organisations receiving subsidies from the National Endowment for Democracy.

Created by Ronald Reagan (in 1983), run 100% by US government funds, (18 million dollars for 1984-5), the aim of the NED is "to export democracy" by distributing dollars to individuals or organisations in "totalitarian countries" and countries in which "democracy is still fragile". Reagan puts into this category countries like Poland, Nicaragua, Chile and the Philippines... but also France !

According to the fac-simile published in "Liberation" (27.11.1985), from April 1984 to April 1985, more than one and a half million dollars were handed over to six recipients in France. In addition to labour union Force Ouvrière ($ 830,000) and the "Union Nationale Interuniversitaire" ($ 575,000), those concerned are hives of shady activities : the Institute of Social History ($ 25,000), the Sino-Soviet Institute ($ 71,000), the International Association for Human Rights ($ 10,000). Plus one anti-communist Vietnamese publication by the name of Quê Me, headed by a certain Vo Van Ai ($ 40,029). This individual , on the 10th anniversary of the liberation of South Vietnam, launched an operation of far-reaching effect, entitled "Complaint against the government of the Socialist Republic of Vietn for consistent violation of human rights". Reagan paid up but didn't make much out of it for himself.

We can be quite sure that the newspapers who are usually so prompt t relay Vo Van Ai's communiqués on Human Rights in Vietnam will not mi the next opportunity to inform their readers about this "Vietnam Committee for Human Rights"... which runs on dollars.

NGUYEN HANH

Translation of Liberation article

Wednesday, November 27, 1985

At 74, Irving Brown is competing with Ronald Reagan with his dark hair and white teeth and contagious dynamism. He is a sort of "itinerant, plenipotentiary minister" of the AFL-CIO, the American trade union confederation, which leads to the attribution of his nickname "the ayattolah of international operations". Nothing can stop this second foreign minister of the United States, and I had to catch him in Geneva, during a meeting of the UN, after his return from the AFL-CIO convention in Los Angeles and before he had to leave for another destination. It is, however, from Paris in principle that Irving Brown controls all the international operations of the AFL-CIO, and decides who is going to profit from the American generosities. For Irving Brown, in Geneva, the day before the Gorbachev-Reagan Summit, the cold war is not finished; anti-communism (such as he conceives it) remains the only demarcation mark between good and the evil.

The American press and a part of the trade unions begin, however, to be worried about the international operations of the AFL-CIO [illegible]ch spends 43 million dollars per year in 83 countries, almost the same amount of its national budget, which represents 45 million dollars. However, this money distributed abroad does not come essentially from the dues of the trade union members; it is governmental money, funds given by the Reagan Administration, channeled through some specialized institutes. Today, it is the role of the AFL-CIO in El Salvador which provokes most of the criticism, outside and inside the trade union. In front of these attacks, Irving Brown remains imperturbable, and dedicated to his convictions.

Brought up in a family of trade unionists in New York, he was the witness of the big battles for the right to organize in the United States. While still a student at the university, he was [illegible] "depression," he organized.

In the automobile industry, he was organizing. Logically, Irving Brown became, in 1936, an officer of the organization. He was 25. He participated in the birth of the unions in the big automobile industries of Ford and General Motors. The strikes, at that time, were causing deaths.

At the end of World War II, he represented the trade unions in the government which studied the policy to be applied in Europe, occupied by the Allies. He became and remained the international representative of the AFL and now of the AFL-CIO. Irving Brown, far from a caricature, has a complex personality. Irving Brown has for a long time been a militant for decolonialization, and this is why he could not go to Algeria when Algeria was French.

In order to answer our questions on the financing of French organizations today through funds of the American government, he went back to the history since World War II.

IB: You should keep in mind that when we started to get organized in Chicago in 1935, we had to fight against management, the police and the mafia. But, to come back to France, at the end of the war, I had the mission to send reports on the needs of the trade unions within the framework of the Marshall Plan. Then I went all around France in a Citroen car to get in touch with the trade unionists and to visit the factories. I went to Germany, to the Scandinavian countries. In France, the aid that we gave was distributed by the CGT: everybody was CGT. I also had lunch with Benoit Frachon at the Hotel Crillon, which was requisitioned. I was also in touch with the socialists since Leon Blum had been a very good friend: I made, for a long time, the liaison between Blum and the Jewish Labor Committee in New York, former Bundists. Then, on the basis of my reports, the trade union decided to open an office in Paris to help in reconstructing the European trade unions. We started, then, to send money to support the free trade union movements. And, this has continued.

Lib: It has always been said that you, Irving Brown, were one of the generating forces in the FO split.

IB: We supported FO, but we were not the only ones. FO also received the support of other European trade unions. But it was the trade union colleagues of Bergeron who made the split. I have known Bergeron since 1947 when he was in Belfort, a leader of the printing trades union federation; he says what he thinks and he believes what he says.

Lib.: At that time, you helped FO financially. But today, in 1985, how have these $830,000 that you just gave last year been used?

IB: FO does not need money. The trade union can live quite well with its own funds. The funds that we send are used outside the regular trade union work. Bergeron explained to me that it was used to help the refugees, the Polish trade unionists and the immigrants. We don't want to go into further internal detail.

Lib.: For two years, since President Reagan created the National Endowment for Democracy, you have had at your disposal very large amounts for your actions abroad. Why?

IB: President Reagan had the idea to create an institution which helps the democratic forces for freedom, against dictatorship. The whole budget of the National Endowment for Democracy is $18 million. We receive the largest part of this money which is transmitted to our Free Trade Union Institute. Lane Kirkland, our President, is also the president of the executive council of this institute. Two-thirds of the money go to third-world countries but we also help trade unions such as the Basques of the ELA/STV, which is one of the best trade unions in the world.

Lib: It does not seem that you are willing to finance any organization of the Left in France. It is rather the contrary...Would they, the American trade unions and American government, support some movements against an allied government - and democratically elected?

IB: Right? Left? This means nothing to me. These are words. I don't look at the label; I look at the content. Why does FO have to be supported? Because the apparatus of the CGT is still here and it can destroy France...We did not start the cold war, it is the Russians who put an end to the honeymoon. But they made a mistake to show to the Europeans what the Russians are.

Lib: Why do you give some 500 million centimes to a small university "trade union" such as the UNI? This is curious.

IB: Why not? First of all, this is a question between them and our organization. For me, the UNI is a democratic trade union. Then you are going to talk about the SAC, etc.; I have been attacked by the SAC myself and I know what I am talking about. There is everything in UNI, but in the American trade unions we also have the mafia...(laughter). I think that what UNI did in Paris against Gorbachev and the Gulag was a positive thing; we have to help the democratic forces that are fighting against them. And UNI has published books. We support their publications.

Lib: But UNI also was involved in anti-governmental demonstrations. Whereas it is well written in the National Endowment for Democracy charter, the NED, that it is formally forbidden to support a partisan organization.

IB: We don't help the opposition but certain things directed in certain directions. Opposition or majority, the reality is more complex than the division into two camps... It is a "basket of crabs".

Lib. Then, why don't you also give money to the CFDT, for example?

IB: Because they have not asked for it. The CFDT has other supports. Same thing for the CGT. The problem is that we are transparent, democratic, we do things overtly. Whereas nobody can prove the origin of the money of the CGT. This is the difference between democracy and dictatorship.

Lib: Not that transparent since, in a confidential note addressed to the President of the Foundation, it is mentioned that the funds sent to France should remain secret... France is on a list between Paraguay and Poland!

IB: How did you get this note?

Lib: In the United States.

IB: Who gave it to you?

Lib...

IB: What kind of job do you do? Journalist or cop? It is the first time in 40 years that a French journalist asked me all these questions. What interest do you find in this story? You are doing the job of a cop. All this interests FO and ourselves. Do whatever you want, but if Liberation pubishes this story, the newspaper [illegible]

(UK)

THE GUARDIAN Thursday November 28, 1985

6 OVERSEAS NEWS

Handouts 'help struggle for democracy'

Reagan fund paid $830,000 to French rightwing union

From Paul Webster
in Paris

A special fund set up by President Reagan to channel money to rightwing organisations secretly paid out $830,000 in a year to France's anti-Communist trade union, Force Ouvrière and $575,000 to an ultra rightwing students' union.

Details of the fund raised by the National Endowment for Democracy, and distributed by the US trade union council, the AFL-CIO, were published yesterday by the leftwing newspaper, Libération which said that $1.5 million were given to French-based organisations between April 1984 and April 1985.

Some of the money went to small exiled anti-Communist movements, but a confidential letter from the fund referring to French grants and those sent to eight other countries said that secrecy on all transactions was essential to avoid reprisals by "repressive governments."

The letter, published by the newspaper, showed that organisations in eight other countries received contributions from an $18 million fund. The letter named the Philippines, Chile, Brazil, Nicaragua, Poland, Portugal, Suriname and Paraguay. In all $3.3 million was distributed in Western Europe.

Money for the endowment fund, set up two years ago on the President's initiative, is voted by Congress and the fund is overseen by 15 directors who decide how the money will be channelled. The aim of the fund is to "fight for democracy in totalitarian countries or in countries where democracy is still fragile."

All the French donations went through the AFL-CIO's Free Trade Union Institute, through its international organiser, Mr Irvin Brown. He is a regular visitor to Force Ouvrière congresses and helped to arrange finance when the union broke away from the Communist-led CGT during the cold war.

Despite its anti-Communism, Force Ouvrière has always denied being a rightwing union and claims only to be free of political party influence. In recent years, mainly by recruiting inside the Civil Service, its strength has become almost equal to the CGT and the Socialist CFGT, most of which have about a million members.

Yesterday, the union leader, Mr André Bergeron, who is often consulted privately by President Mitterrand, said the money was used to help refugee trade unionists, particularly from Poland, South-East Asia, and Chile. The contributions, which represents 13 per cent of the union's revenue, were spent on providing lodging, food, and other help.

He would not comment on whether any money went directly to unions outside France.

While the trade union decision to receive secret funds is controversial, leftwing politicians are more likely to be disturbed by donations to UNI, the National Inter-University Union, which has links with the extreme right National Front and the Gaullist Party.

PAGE 8C / THURSDAY, NOVEMBER 28, 1985 The Washington Times

Endowment suspends aid to French group

By Roger Fontaine
THE WASHINGTON TIMES

The National Endowment for Democracy suspended a grant to a French academic group yesterday after accusations appeared in a leftist Paris newspaper that some of the group's members earlier belonged to a rightist paramilitary organization.

Responding to additional charges that these funds were kept secret, the endowment said the lack of disclosure was a onetime affair at the request of fund administrators and beneficiaries.

The endowment, a non-profit private agency with an $18 million budget, was created by the Reagan administration in 1983 to promote democracy internationally. It had planned to give $575,000 to the French group over two years. Its funds are distributed under the auspices of the AFL-CIO through an AFL-CIO organization called the Free Trade Union Institute.

The endowment said it had obtained congressional approval in these specific cases and had promised Congress it would disclose funding and full details of its projects.

The suspension, announced yesterday, will continue until the endowment "has fully investigated the charges that have been made regarding the character of the organization and is confident they are without foundation," NED said.

Suspension of funding for the National Inter-university Union, or UNI, followed reports in the Paris daily, Liberation, that the NED was secretly funding the academic group, as well as an anti-communist trade union, Force Ouvriere.

NED acknowledged that both organizations had received funding, amounting to $1.5 million.

NED acknowledged that both organizations had received funding, amounting to $1.5 million.

The congressional oversight committee, the House Foreign Affairs Subcommittee on International Operations agreed to honor these commitments, but not before exacting a pledge that in the future the endowment would "have to provide a project-by-project list, including levels of funding" as part of its annual report, the endowment said.

The NED also said that funding of the French organizations constituted less than 5 percent of NED's total annual budget, the balance of which goes to organizations in authoritarian and totalitarian countries.

The Washington Post

A50 Thursday, November 28, 1985

Rightist French Students Get U.S. Anti-Red Aid

Major French Union Alliance Also Benefits

United Press International

PARIS, Nov. 27—Operators of a U.S. government-financed fund designed to resist totalitarianism have distributed some $1.4 million to a right-wing trade union and a student group opposing France's Socialist government, a newspaper said today.

The Socialist newspaper Liberation said the National Endowment for Democracy, created with bipartisan support last year by the Reagan administration to foster democracy in "totalitarian" states or nations where "democracy is still fragile," directed more than $1.5 million of its $2.3 million European spending into France.

The newspaper said $830,000 was given to Force Ouvriere, or Workers Force, which broke with the communist-led Confederation Generale du Travail during the Cold War.

The National Inter-University Union, a right-wing student group, was given another $575,000 and four smaller anticommunist groups received a total of $157,000, the newspaper said.

A spokesman for Force Ouvriere acknowledged receiving the money but said most of it was used to help settle refugees from East Bloc countries in France.

But the Free Trade Union Institute, the AFL-CIO's European affiliate through which the money was funneled, told the endowment that some funds would be used for "the struggle against antidemocratic forces, the organization of factions, teaching organizational techniques and techniques for staging demonstrations."

The student group is allied with the Rally for the Republic, France's main conservative opposition party, and has led numerous antigovernment protests.

The French government did not comment on the Liberation article but the U.S. Embassy called the fund "a private, nonprofit, nongovernmental organization which utilizes funds appropriated by the U.S. Congress to support the efforts of people everywhere to build democratic institutions."

"There is nothing covert or secretive about the activities or funding of the NED," it said.

The newspaper quoted a letter from a Free Trade Union Institute official to endowment President Carl Gershman, however, saying the donations were kept secret because "the beneficiaries of these funds could be put in danger or hindered if these payments were made public."

The endowment, with $18 million from the U.S. government, has also funded anticommunist groups in Latin America—notably Chile, Nicaragua and Brazil—and Asia, particularly the Philippines, the newspaper said.

Relations were strained between the Reagan administration and the Socialist government of President Francois Mitterrand until mid-1984 when the Socialists split with their Communist partners in Parliament, dropping four Communist ministers from the Cabinet.

The Washington Times THURSDAY, NOVEMBER 28, 1985 • PAGE

French right wing getting U.S. funds, Paris left charges

By Curtis Cate
SPECIAL TO THE WASHINGTON TIMES

PARIS — The National Endowment for Democracy, a non-partisan semi-official U.S. agency to encourage the growth of free trade unions throughout the world, was attacked yesterday by a left-wing Paris newspaper, which charged that endowment funds were secretly funneled to French conservative organizations through an AFL-CIO affiliate to combat the French left.

"Reagan's Secret Funds in France," shrieked the headline in the daily newspaper Liberation, which devoted more than 5½ pages to articles and editorials on this financial assistance.

The principal French groups named were Force Ouvriere (FO), which, with one million members, is now the second largest labor union in France, and Union Nationale Inter-universitaire (UNI), which is mostly made up of university students and professors.

The AFL-CIO affiliate named is the Free Trade Union Institute, a body set up under the aegis of the National Endowment for Democracy in cooperation with the AFL-CIO.

Observers here saw in the leftist newspaper's attack a thinly disguised effort to undermine Irving Brown, international affairs director of the AFL-CIO, who has been in the forefront of worldwide efforts to promote free labor unions. Mr. Brown is chief distributor of funds for free labor programs.

Endowment suspends aid to French group. Page 8C.

He was described in two of the

UNIONS

From page 1A

five Liberation articles as being a Paris-based "ayatollah of international operations" entrusted with the job of doling out $43 million a year to groups in 83 different countries.

Mr. Brown dismissed Liberation's charges as laughable.

"Unlike the Soviets, who are constantly involved in devious, behind-the-scenes intrigues, we have nothing to hide, absolutely nothing to be ashamed of."

On NED funds in France, the articles said, during a one-year period between April 1984 and April 1985 the endowment had reserved almost half ($1.5 million out of $3.3 million) of the money earmarked for Europe to the two French anti-communist organizations.

FO was said to have received $830,000, while UNI was alleged to have received the "impressive sum of $575,000," even though, according to the paper, its present membership is less than 1,000.

These charges appear to be based on interviews conducted in Washington by Liberation's local correspondent, Mark Shapiro, with Eugenia Kemble, who heads the FTUI.

Accompanying the articles was the publication, in part, of an NED document listing funds distributed to various recipients.

Just how the document was obtained was not specified. But certain French observers have concluded that it must have been "leaked" to Liberation's Washington correspondent.

As one of them puts it, "We are confronted here with a classic effort to undermine the prestige of the National Endowment for Democracy by making the whole business look dubious and hush-hush, and the recipients unimportant and suspect."

Liberation's allegations elicited a prompt response from Andre Bergeron, FO general secretary. In a formal declaration, he said that Force Ouvriere cooperated with American labor unions in helping to set up the International Federation of Free Trade Unions to defend "the great principles of democracy and freedom."

Following the workers' uprisings and upheavals in East Berlin (June 1953), Poznan (1959), Hungary (October-November 1956), and the Soviet invasion of Czechoslovakia (August 1968), Force Ouvriere had offered help and asylum to hundreds of working-class refugees who streamed into France and found themselves "without work, without a home, and naturally without resources," he said.

In all these cases, Mr. Bergeron declared, it was the financial help offered by American trade unions that had made this succor possible. He said Force Ouvriere is not going to let itself be deterred by a campaign of innuendos and denigration.

"This is an aspect of the permanent propaganda of international communism, which has set itself the objective of destroying free trade unionism," he said.

A spokesman for the Union Nationale Inter-universitaire said that the articles published in Liberation were chock full of errors and clearly intended to discredit the UNI in American eyes as being "insignificant, suspect, and fanatical" — a kind of extreme right-wing fascist movement.

"Our movement was launched early in 1969, to protest the student riots of 1968," he said. "From the start we had to fight an uphill battle, against a huge coalition of socialists and communists, who had practically monopolized the teaching profession. The socialists controlled primary education, the communists controlled secondary schooling and university teaching," he said.

Of other "suspect" groups singled out for attention in Liberation's articles, the most clearly delighted was the Institute of Social History, whose archives and library in the field of Soviet studies were flatteringly compared to those of the Hoover Institution at Stanford, California

Democracy Project Facing New Criticisms

By BEN A. FRANKLIN

Special to The New York Times

WASHINGTON, Dec. 3 — The National Endowment for Democracy is a quasi-governmental foundation created by the Reagan Administration in 1983 to channel millions of Federal dollars into anti-Communist "private diplomacy."

Its bylaws require "openness" and "public accountability" in its stewardship of millions of dollars a year in taxpayer funds, which are distributed to labor, business, education and other groups and organizations overseas to promote democratic ideas.

Today, however, for the second time in its brief existence, the endowment finds itself in trouble with Congress. Some of its "private diplomacy," it turns out, has been more than private: it has been secret.

According to endowment officials and Congressional aides, $1.4 million in endowment money has been secretly channeled through an overseas branch of the American Federation of Labor and Congress of Industrial Organizations to two center-right groups in France that have opposed the policies of President François Mitterrand's Socialist Party.

The New York Times

'In the future there will be a full level of detailed disclosure.'

Carl Gershman, president, Endowment for Democracy

What is more, the secrecy was maintained for months under an agreement among officials of the A.F.L.-C.I.O., endowment administrators and the Subcommittee on International Operations of the House Foreign Affairs Committee, which oversees the endowment.

The existence of the agreement was confirmed by Carl Gershman, president of the endowment, and by Richard W. McBride, the subcommittee staff director, after it was uncovered by Mark Shipiro, a reporter at the Center for Investigative Reporting here, who was on assignment for the Paris newspaper Liberation.

A Pivotal Time

The Shipiro scoop, published last week, came at a pivotal time for the endowment. On Wednesday a Senate-House conference committee is scheduled to make a final judgment on the endowment's appropriation for the 1986 fiscal year, compromising between $18 million voted by the House and $10 million by the Senate.

Last year, on the eve of a crucial vote in the House on the endowment's first full-year appropriation, critics of the program produced a cable to the State Department from the United States Embassy in Panama complaining of an "embarrassing" and "compromising" discovery: $20,000, given by the endowment through another A.F.L.-C.I.O. overseas branch, had been spent in a Presidential election campaign to support the candidate backed by the Panamanian Army. After that disclosure, the House cut the endowment appropriation to zero, but conferees relented and gave $18 million.

Now, according to Representative Hank Brown, the Colorado Republican who is one the endowment's most persistent critics, the disclosure of the endowment's "French connection," as he put it, "requires Americans to ask how they would feel if they learned that the French Government was giving millions of dollars to the A.F.L.-C.I.O. to oppose the policies of Ronald Reagan."

Another endowment critic, Representative John Conyers Jr., Democrat of Michigan, said he would demand a Congressional investigation of the endowment's French grants.

Earlier this year, Congressional uncertainty about endowment operations brought an end to an appropriations system that required the endowment to give labor groups up to two thirds of its annual funding. Most of the balance was to be distributed by the Chamber of Commerce of the United States and the foreign institutes of the two major American political parties.

One of the French groups that received endowment funds was the National Inter-University Union, an anti-Communist student federation with reputed ties to the Service d'Action Civique, an outlawed, extreme-right paramilitary group. The other recipient was Force Ouvrière, an anti-Communist trade union.

A week ago, when the story broke that the A.F.L.-C.I.O.'s Free Trade Union Institute had committed $575,000 in endowment funds to the National Inter-University Union and $830,000 to Force Ouvrière, Mr. Gershman, the endowment president, canceled payment of any undistributed money to the U.N.I., as it is known in France, "until we clear up questions about its anti-democratic character."

Mr. Gershman said all but $73,000 of the money budgeted for U.N.I. publications had already been disbursed, but he said none of it was "intended for activities that in any way could be construed as criticism of the Mitterrand government."

In an interview Mr. Gershman emphasized that the Free Trade Union Institute would be allowed to make no more secret grants. "In the future there will be a full level of detailed disclosure," he said.

Mr. Gershman said details of the grants in France had been "less than fully disclosed" after A.F.L.-C.I.O. officials asserted in a memorandum last April that prior promises of secrecy had been made to its sub-grantees and that publicity would pose "danger or embarrassment" to them or to the United States.

Details on the two programs in France were omitted from the endowment's 1984 annual report, a document whose introduction declares that "we must operate openly." Details were also omitted from reports of the House subcommittee, Mr. McBride said.

Of the Demand for Secrecy

Eugenia Kemble, executive director of the Free Trade Union Institute in Washington, who wrote the secrecy memorandum, did not return repeated telephone calls.

But according to other labor union and Congressional aides, the demand for secrecy for the labor institute grants in France reflected the tough anti-Communist style of Irving J. Brown, the 74-year-old official who has been the American labor federation's chief overseas representative since the end of World War II.

In the postwar years, Mr. Brown's leadership of American labor union intervention in Europe was credited with helping defeat Communist attempts to sabotage the Marshall Plan and other economic recovery programs of the United States.

But, Mr. McBride said in an interview, "Today, I think one has to ask the question whether the limited funds available to the N.E.D. should be going to Europe at all, rather than to Central America and the third world countries."

THE NEW YORK TIMES, WEDNESDAY, DECEMBER 4, 198

The Washington Times

THURSDAY, DECEMBER 5, 1985

Congress restores funding for anti-communist effort

By George Archibald
THE WASHINGTON TIMES

The National Endowment for Democracy, the administration's private-sector response to the Soviet Union's worldwide propaganda apparatus, has survived a severe cut in its government funding voted last month by the Senate.

House and Senate conferees agreed yesterday to appropriate $18 million for the endowment's grants through next September to U.S. labor, business and education groups, which in turn fund pro-democracy and anti-communist activities in foreign countries.

The Senate, under prodding from Sen. Ernest Hollings, a South Carolina Democrat, and other critics, had voted to cut the endowment's appropriation from $18.5 million in fiscal year 1985 to $10 million this year.

They complained that it was a mistake for the quasi-governmental organization to be indirectly involved in the internal politics of foreign countries. Through the endowment, educational foreign affairs institutes set up by the Republican and Democratic parties give grants to pro-democratic foreign groups.

In fiscal year 1984, the endowment awarded $1.5 million for such grants to both the National Republican Institute for International Affairs and the National Democratic Institute for International Affairs.

Part of the money was given to nonpartisan groups for political polling and get-out-the-vote drives during elections in Guatemala and Grenada, said Carl Gershman, the endowment's president. The grants succeeded in increasing substantially voter participation in both Caribbean nations, he said.

Last year, Congress prohibited further endowment grants to foreign groups via U.S. political parties. Yesterday, House and Senate conferees deadlocked over the Senate's insistence on continuing that prohibition, and the issue was sent back for a vote by the full membership of both chambers.

Mr. Gershman said he and NED's 17-member board of directors would lobby actively to end the prohibition. He said political liaison between the United States and pro-democratic groups in emerging democracies is possible only through the major American parties and their foreign counterparts "which are natural partners in strengthening democratic institutions."

The endowment recently has come under fire from both the left and right because of controversial grants by the AFL-CIO's Free Trade Union Institute — to date the recipient of about 75 percent of NED's funds — to anti-establishment political groups in Nicaragua, South Africa, France and elsewhere.

This week, Rep. John Conyers Jr., a liberal Democrat from Michigan, and Rep. Hank Brown, a conservative Colorado Republican, called for an investigation of two grants totalling $1.4 million that the trade-union institute made to the National Inter-University Union and Force Ouvrière, two anti-communist French organizations.

A leftist French newspaper, Libération, claimed in articles last week that the grants were given secretly by the AFL-CIO to undermine the policies of President François Mitterrand's Socialist Party. The newspaper said the National Inter-University Union, an anti-communist student federation, had reputed ties to the Service d'Action Civique, an outlawed extreme-right paramilitary group.

The New York Times published a story yesterday based on the French newspaper article.

Mr. Gersham said the endowment was unaware of any connections between the French student federation and a rightist paramilitary group.

The Houston Post

Friday, December 6, 19

Georgie Anne Geyer

Funding democracy

Criticism of the innovative National Endowment for Democracy is simmering again. The two-year-old experiment, which selectively backs democratic change abroad, is considered by some to be too partisan and by others to be too unfettered by conventional governmental controls.

The critics at a House-Senate conference Wednesday would cut the endowment's appropriations and threaten to control it in ways that could destroy its growing effectiveness — which would be one of the most shortsighted things that American leaders could do.

What is this new political creature on the Washington scene? How did this Endowment for Democracy emerge on the world ideological stage that the United States had so studiously bypassed and disdained in the past (in terms of involvement in countries' internal affairs)?

The endowment, started in 1983, is a non-partisan, private, non-profit corporation to "promote the development of democratic values and institutions around the world." Headed by Carl Gershman, a democratic activist, the endowment's board is basically divided among four forces: the two major American political parties, the AFL-CIO and the Chamber of Commerce.

The programs are complex. A great majority of the money goes to projects of these four groups, most of which look sound to me. There are also fascinating discretionary programs that cost almost nothing: an Afghanistan Relief Committee to reopen schools in Afghanistan, a magazine (The Chinese Intellectual) to go to Chinese students in the United States as well as China, support for Poland's Solidarity, aid for the formation of a "Community of Democracies," money for polls in Guatemala during the recent elections.

While the programs are small and the financing is small (ranging from $6,000 to $200,000), that can be precisely their strength. The communist parties in many Third World countries and elsewhere started with small foci. Usually they came to seize power with minuscule but highly organized

gently painted the background scene in a recent article in The American Spectator:

"The tragedy of Nicaragua . . . is an all-too-familiar story. Rightist dictators repress the opposition that they naturally provoke from both democrats and communists. But the communists, with their conspiratorial, top-down methods, are far better equipped to survive clandestinely than are the democrats.

"The popular discontent sooner or later undermines the regime; the democratic center is too weak to offer an effective alternative. In two countries likely to serve as the next scenes for the re-enactment of this sad drama — Chile and the Philippines — the endowment is working to strengthen democratic labor federations."

Gershman expands on the theme: "Until now, we have been content to let the market principle apply in the field of ideas and political confrontation as well as in the field of economics. It hasn't been very good from the point of view of democratic forces around the world, who end up without the necessary support."

This is where the endowment — small but, to my reading, already remarkably effective — steps in. The Soviets spend at least $63 million a year on the "software" of diplomacy, ideological expansion, upon which everything actually rests. America this year is spending $18 million on the endowment, and many in Congress want to cut back, which will only ensure that people who would like to depend upon America will trust us even less than before.

We are beginning — just beginning — to deal as a nation with the structural disadvantages of a democracy up against the dogmatic, absolutist methods of a Soviet Union. We are doing it rationally and — President Reagan deserves credit for this — not covertly, as in the past, but overtly for all to see.

I call it the rebuilding of the democratic political alternative in the world. And I wish Congress would drop its alternately purist and curmudgeonly attitudes and get on with it!

Union in France Confirms It Gets U.S. Funds

By RICHARD BERNSTEIN

Special to The New York Times

PARIS, Nov. 27 — A French labor union said today that it had received American Government funds to support foreign trade union activists who had come to France to escape persecution in such countries as Poland and Afghanistan. The union said there was "nothing scandalous" in its activities.

The labor union, the Force Ouvrière, was responding to a report published today in the newspaper Libération. The paper said that a public American foundation had used "secret funds" provided by Congress to support several politically conservative French organizations. The Force Ouvrière is widely regarded as center-right in its political orientation.

The newspaper, under a front page headline reading "Reagan's Secret Funds in France," reported that over the last year the National Endowment for Democracy, a nongovernmental foundation created by Congress two years ago to foster democracy around the world, had provided $830,000 to the union and $575,000 to an anti-Communist student federation.

The newspaper printed what it said was a photocopy of a confidential internal memorandum addressed to the foundation's president in which France was included among a group of countries where disclosure of the endowment's activities might pose "danger or embarrassment." Among the other countries listed were the Philippines, Paraguay, Chile and Poland.

The report reflected puzzlement here as to why France, which the newspaper called "a country where democracy does not seem fragile," should have received public American funds intended to foster democracy in places where it is weak or does not exist.

The money provided was said to have been channeled though the Free Trade Union Institute, which is affiliated with the A.F.L.-C.I.O., the largest American labor confederation.

Asked why a democratic country like France should be a recipient of funds, Carl Gershman, the president of the Endowment for Democracy, said the group's policy was to give a small part of its funds to organizations in countries that "face stiff competition from antidemocratic rivals.

Mr. Gershman, speaking in a telephone interview from Washington, said that funds were given to the Force Ouvrière because of its long association with the A.F.L.-C.I.O. and because its chief rival was seen to be the Communist-controlled Confédération Générale du Travail.

André Bergeron, the president of the Force Ouvrière, said in a written statement to journalists today that the funds received by the union were used to help "the thousands of trade union activists who are forced to leave their countries and have no accommodation, no money." Among those helped, according to Mr. Bergeron, were trade unionists from Poland and Afghanistan.

"We could not do this without the help of our friends from the American trade unions," he said. "There is nothing scandalous in that."

The Free Trade Union Institute also channeled funds to a little known student confederation known as U.N.I., the French initials for National Inter-University Union. The group was founded in 1969 in reaction to the leftist student demonstrations that swept France the year before but according to Libération it was linked to an extreme right-wing student group known as the Service for Civic Action.

The memorandum saying that disclosure of the exact nature of some of the grants might pose a "danger or embarrassment" came from the directo of the Free Trade Union Institute, Eugenia Kemble, and was addressed Mr. Gershman.

In a telephone interview, Mrs. Ken ble said today that France was clearl not among the countries where an body would be endangered from an a sociation with the Endowment. "Som of the grantees wanted privacy," sh said, "and people here and at the E dowment went along with that."

In a statement today, the Endow ment said it was suspending its financ ing of U.N.I. until it had satisfied its that the charges about the group's a filiation with the French extreme rig were not true.

MANCHESTER GUARDIAN WEEKLY, December 8, 1985

Le Monde

ENGLISH SECTION

11

Union receiving secret US funds

France finds itself in the company of "sensitive" countries — like the Philippines, Chile, Brazil, Nicaragua, Poland, Portugal, Suriname and Paraguay — targeted by the Free Trade Union Institute, a private US organization dedicated to combating communist influence in trade unions around the world. This is what emerges from an expose published by a Paris daily newspaper.

THE DISCLOSURE, by the daily "Libération" on November 27, that the French labour union, Force Ouvrière, had received funds from the United States is both an old story and a new one. An old story in the sense that back in the 1950s, FO was accused of receiving subsidies from American labour unions and even the CIA. Immediately after World War II, the American Federation of Labour and the Congress of Independent Organisations (AFL-CIO) pumped funds into French unions to help in their reconstruction and reorganisation. But as Irving Brown, the director of AFL-CIO's European operation, which has its headquarters on the Rue de la Paix in Paris, reminded "Liberation", it was the CGT (Confédération générale du travail) that was the initial recipient of these funds, with FO merely taking over subsequently. But Brown is also accused of having helped to split the labour movement in 1947-1948.

This is still the pipeline for funds today. FO is said to have received $830,000 from the Free Trade Union Institute (FTUI) between April 1984 and August 1985. It describes FO as "the biggest trade union in France." André Bergeron, the FO leader who was questioned by "Liberation", would neither confirm nor deny the story. "We hold funds which are used to help persons forced to leave their countries, like refugees from Southeast Asia, Poland or Chile . . . the money helps to provide board and lodging for people, for getting them out of prison. As for the rest, that's our business." FO even pointed out that it was proud of having helped hundreds of activists by means of aid from American labour unions.

More than the fact of having received the money, which in reality amounts to a mere tenth of the French union's budget, two points could embarrass the FO. The first is the origin of the money. According to "Liberation", it came from the National Endowment for Democracy (NED), which is funded to the tune of $18 million by the US Congress.

It has even been frequently alleged that some of the money paid out by US labour unions actually came from the CIA, and that Irving Brown — as Philip Agee points out in his book "Inside the Company: CIA Diary" — is the semi-official dispenser of CIA funds.

As a matter of fact, there is nothing shameful about receiving money from American labour unions. More unpleasant perhaps for FO activists and officials alike is the fact that in receiving these

Continued on page 12

Undermining Mitterrand

NY, NY
Village Voice

WASHINGTON—The revelation last week in Paris by *Libération* that the U.S. government, through a private group called National Endowment for Democracy (NED), is pumping more than $1.3 million into right-wing French groups with ties to a terrorist organization is just the tip of the iceberg.

NED was formed in 1983 as a Reagan initiative to combat communism. Among its directors are Henry Kissinger and Walter Mondale along with Lane Kirkland, president of the AFL-CIO. The bulk of NED's funding, $18 million, comes from Congress and, in turn, is funneled through other organizations, the largest of which is the AFL-CIO, which currently receives about $11.5 million annually.

One of NED's most important goals is to lay the base for "pluralistic" U.S.-style democracies in third world hot spots from the Philippines to Nicaragua while avoiding the unpleasant publicity that attended CIA activities in this area in the past. In Panama, where NED funds supported the rightist candidate in last year's presidential election, its involvement became so embarrassing that the U.S. ambassador asked the State Department to intercede.

The article in *Libération* by Mark Schapiro reports NED channeled $1.3 million through the AFL-CIO's Free Trade Union Institute to Force Ouvrier (FO) and Union Nationale Inter-Universitaire (UNI). FO is a white-collar trade union which helped organize demonstrations against Mitterrand's economic policies. UNI is a conservative group of students and faculty formed in 1969 by the right to counter left student organizing in universities. Until recently it was little more than a splinter group. Then last year UNI emerged as leader of student opposition to the government's proposed education reforms. UNI spearheaded vigorous public protests against Gorbachev's visit earlier this year. *Libération* cites a French parliamentary report which says UNI was created and supported throughout the 1970s by a right-wing paramilitary outfit called Service d'Action Civique (SAC). Formed in the 1950s as a type of militia by the Gaullists, SAC provided protection for Gaullist candidates, organized elections for them, and beat up Socialists and Communists. Some of its members belonged to the Organisation de l'Armée Secret (OAS), which tried to kill General De Gaulle, and, of course, bitterly opposed independence for Algeria. In 1982, the Socialist government banned SAC. A parliamentary inquiry said that SAC was the power behind UNI. *Libération*'s own investigation has found key leaders of UNI to be former members of SAC, and it traces ties between SAC and the World Anti-Communist League, whose head is the retired U.S. Army general, John Singlaub.

THE MOVING TARGET

JAMES RIDGEWAY

Libération goes on to quote NED documents on the use of funds by FO: "Training and Civic Education: Education on parliamentary procedure, combatting anti-democratic forces, factional organizing; education on how to organise, how to demonstrate, how to service members; and publication and dissemination of materials, etc."

According to the NED 1984 annual report, it provided financial support to UNI, "a trade union-like organization for professors and students" that "has developed a comprehensive program to provide an effective counterweight to the propaganda efforts of left-wing organizations of professors active within the university system." The Free Trade Union Institute, the report continues, "supported a series of seminars, and the publication of posters, books, and pamphlets on such topics as 'Subversion and the Theology of Revolution,' and 'Neutralism or Liberty.'"

Since it began receiving funds last year UNI members have become the most prominent French representatives at international conferences aimed at building a worldwide youth movement. NED helped finance trips by UNI members to an international conservative conference in Jamaica last spring.

Following publication of the *Libération* article, NED announced it has "sus-

Continued on page 33

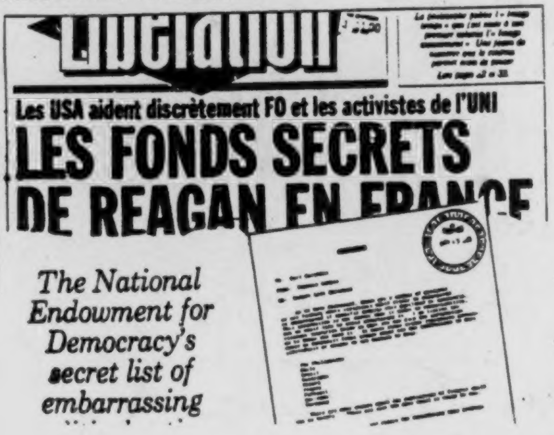
Continued from page 30

pended the grant [to UNI] until it has fully investigated the charges that have been made regarding the character of the organization and is confident that those charges are without foundation."

NED's largest project is in the Philippines, where it is funneling upwards of $3 million through the Asian-American Free Labor Institute, an arm of the AFL-CIO, to finance publications, radio stations, and to help anti-Communist labor leaders win elections in local provinces. While the Asian-American Free Labor Institute has been active in the Philippines for 15 years, its $250,000 annual budget increased dramatically last year with the injection of a three-year, $3 million NED grant. The program attempts to widen its base in the urban labor movement and undermine leftist gains in religious organizations, in universities, and in rural areas. The money is doled out by local labor leaders, creating allies in a nation where the average annual income is $790. "Some of the regional [labor leaders receiving Institute money] are becoming powerful politically," Bud Phillips, head of the Institute in the Philippines, recently told the *San Francisco Examiner*. "Imagine if you have $100,000 to give out to families in $500 chunks. Your stock goes way up, faster than the stock of any of the militant groups."

The Institute's program in the Philippines "follows the pattern of Latin America where AFL-CIO money was used for CIA purposes," said Jose Diokno, a former senator and opposition leader there. "For instance, they opened up an institute here supposedly to teach labor relations. But they teach community organizing and indoctrination, not labor tactics."

NED leads a charmed political life. Reagan himself embraced the idea for NED, and with Republicans in control of the Senate, there is scant prospect of opposition in that chamber. In the House, Dante Fascell, its first chairman and head of the House Foreign Affairs Committee, sits on NED's board and provides broad protection. Democratic congressman John Conyers, a persistent critic of NED, hopes to launch an investigation through the Government Operations committee, but Fascell and the rest of the House leadership, backed up by the AFL-CIO, can be counted on to try to thwart any serious inquiry into NED's activities.



Libération

Les USA aident discrètement FO et les activistes de l'UNI

LES FONDS SECRETS DE REAGAN EN FRANCE

The National Endowment for Democracy's secret list of embarrassing

---

12/17

The Mouse That Tried to Roar

Forget budgets, forget taxes. The Reagan administration is now under attack on the front where the fighting gets dirtiest: the battlefield of ideas. One group of critics has accused our government of being too eager in selling its vision of democracy inside another government's borders. A second group says the Reaganites are too vigorous even at home.

Just recently a scandal erupted around the National Endowment for Democracy. The endowment was set up by Congress two years ago to give public help to democratic forces abroad, since the CIA could no longer aid such groups secretly. Against all odds, NED got off to a promising if shaky start.

But at the very moment when Congress was all set to determine the endowment's budget, a left-wing French newspaper disclosed that unpublicized NED money had gone indirectly to a centrist French labor union and an anti-left student group. The union opposed the dominant communist-controlled labor grouping but also opposed policies of Socialist French President Francois Mitterrand. The student group arose during the 1968 student riots out of an extremist group of right-wing Algerians.

The charges followed. Why should NED interfere in the politics of a cranky but definitely functioning democracy? Why should money be given secretly in a free society? NED was left squirming.

Now comes another expression of moral outrage, directed against the U.S. Information Agency. In the flower days of 1967, the U.S. was one of 30 nations signing an agreement to ease international distribution of educational films. Under the agreement, if a government certifies that a film is educational, scientific or cultural instead of the usual commercial blockbuster—"Feeding Habits of the Newt" rather than "Rambo Goes to College"—the movie escapes ordinary import duties. U.S. certification guidelines exclude propaganda-type films. We somehow doubt that Soviet certifiers work by the same rules.

At any rate, a bunch of film makers represented by the Center for Constitutional Rights has just sued USIA over its certification practices. For example, the agency would not declare the following simply educational: "In Our Own Backyards: Uranium Mining in the U.S.," "Ecocide: A Strategy of War" and "From the Ashes . . . Nicaragua Today." The plaintiffs found that USIA had at one point certified "The Family: God's Pattern for Living" and "To Catch a Cloud: A Thoughtful Look at Acid Rain."

So the plaintiffs say that the government has violated not only the 1967 agreement but the First and Fifth amendments.

The battle is plainly never going to end. First the critics of an aggressive pro-democratic push by the U.S. are going to call it scandalous to support anti-communist groups among "civilized" nations abroad. We will all be tempted to nod our heads in agreement. But having gotten consent to this proposition, they will go on to claim that fairness—indeed, the Constitution itself—directs the American government to give out commercial privileges with absolute evenhandedness to films that are anti-American tracts and those that are not.

The budgetary fights now tearing at Congress are scary enough. But the constant attempts to constrain recent efforts at American self-assertion are equally ominous for the long run.

For as long as
housing has had an ima
worst shelter possible
who must live in it. Cr
perceived stinginess on
eral government are bot
in a cycle that leaves ho
shaking their heads. No
the wind for the Depar
Urban Developmen

Of all the programs
public housing is probab
important safety nets a
the administration cut it
Surprise, it hasn't! In
about $2.5 billion on pub
1986 it will spend $4 bil
massive expenditures,
some public housing is
or sanitary and is a nat
timizing tenants and ta

There are now about
public housing authoriti
about 1.3 million dwell
1930s, the federal gover
debt service in order to
built. Then it started pa
After that it began payi
tion, and in the early '70
ing subsidies, which hav
most straight line from
estimated $1.4 billion in

A Stand-

By Thomas V.

It's a shame that Pres
Congress and James Mill
tor of the Office of
Budget, can't call upon t
G. Dawes to serve as a
federal deficit. Dawes,
cago banker, was the fir
Budget Bureau (now cal
Until recently, none ha
challenge than Dawes
had seen the federal b
from $3.6 billion in fisca
lion in fiscal 1919.

Dawes, a brigadier
War I, began his new
Congress during his con
One newspaper describe
as a "hell and Maria"
ous for its "spectacular
criticized Congress for p
a "toothpick with which
Peak." There was little
that responsibility for t

European Edition

THE WALL STREET JOURNAL

Dec. 19

A Hero of Our Time: AFL-CIO's Brown in a New Battle

By SETH LIPSKY

PARIS—The legendary Irving Brown slumps in a chair at the European office of the American Federation of Labor and Congress of Industrial Organizations. At age 74, the union's international director has seen a lot. He was beaten up by Harry Bennett's security men while trying to organize Ford Motor Co. in 1937. He came to Europe in 1944 to work with labor leaders exiled from Vichy France and Norway. He stayed to fight the silent war to keep labor unions free—out of Communist control—in the years of reconstruction after World War II. He and others in the AFL-CIO then worked for free labor in the Third World. Now he is embroiled in a new struggle. "This," he says, "is no *salon de the*."

He's referring to an American effort to nurse pro-democratic forces around the world. The campaign was signaled by President Reagan in a speech to the British Parliament in 1982. Mr. Reagan had noted that since 1917 the Soviet Union has given covert political training and assistance to Marxist-Leninists in many countries, promoting subversion and violence. In more recent decades, he'd said, West Europeans—Social Democrats and Christian Democrats—have offered open assistance to fraternal, political and social institutions to bring about peaceful change and democratic progress. Now, the new U.S. president had asserted, America would take its own steps toward similar goals.

The result was the creation by the U.S. Congress of the National Endowment for Democracy, or NED. It is an important initiative for the U.S., whose own political parties haven't traditionally been formal members of international movements. The NED was funded at about $18 million a year. It was natural that the head of the AFL-CIO, Lane Kirkland, was named a member of the National Endowment's board. It was natural, too, that much of the money was distributed via an agency that the AFL-CIO had created, the Free Trade Union Institute. And it was natural enough that Mr. Brown—who sits on the Institute's board—should steer some of this money to France. The controversy that has now erupted illuminates just how difficult it is to carry on the good fight in the modern world.

* * *

What triggered the controversy was the spending in France, which clearly touched a nerve. Some of the funds—$830,000—went to an anti-Communist labor union called the Force Ouvriere; Mr. Brown and the AFL had been working with the FO even back when it was part of the anti-German underground and was called Resistance Ouvriere. For years FO has been engaged in a strategically important struggle against the Confederation Generale du Travail, or CGT, the big French Communist-dominated labor union. Other funds—$575,000—went to a student group called L'Union Nationale Inter-Universitaire, or UNI; the group sprang up in 1969 in reaction against the left-wing demonstrations that broke out on French campuses in 1968. UNI has been contending against Communists on and off French campuses ever since.

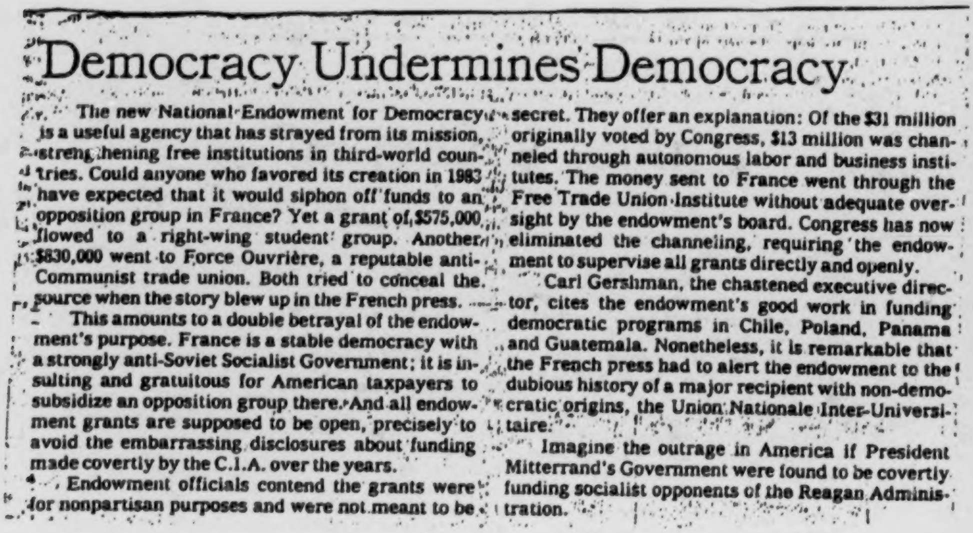
The attack against the funding in France came from a reporter affiliated with a left-wing group in Washington called the Center for Investigative Reporting, who turned up documents detailing the flow of NED money, portrayed this as a dark secret, and got the story into a lively, left-leaning Paris daily called Liberation. A coven of U.S. legislators entered the fray—Hank Brown of Colorado, Edward Zorinsky of Nebraska, John Conyers of Michigan and Ernest Hollings of South Carolina. The pro-Democrat New Republic magazine—which prides itself on its tough-minded, anti-Communism—joined the bashing of NED and Irving Brown.

Some complained about any spending to promote democracy abroad. Others focused on secrecy, though the outlays in France weren't secret. Then there were the complaints about Force Ouvriere itself, which opposes some policies of the freely-elected Socialist government of President Mitterrand, and about UNI, which some suggested had a connection with a sinister right-wing group called Service Action Civique, or SAC. SAC had been formed in 1959 and was outlawed by the government in 1982. UNI denies a connection, but a nervous National Endowment president has suspended funding of UNI pending a clarification. Most fundamental was the question of whether the U.S. government should be channeling money to such institutions as Force Ouvriere and UNI in countries that are already democratic.

* * *

That so many people who ought to know better are asking that question is, of course, exactly why it's a lucky thing that there are still some savvy old-timers like Irving Brown. The struggle between Force Ouvriere and Communist labor in France is enormously important for Europe. It's a safe bet Moscow puts big money into the fight. An extremely hot battle is under way between Soviet backed labor leaders and free labor in the coalfields of another already democratic country, Britain, where more help could be used. It was with the French CGT that Arthur Scargill of Britain's National Union of Mineworkers has been working in putting together a pro-Soviet labor alliance in Western Europe.

The contest in which UNI is engaged in France—where university elections are part of national politics and whence the French government was almost brought down in 1968—is plainly part of a larger struggle. The point Irving Brown makes so well is that the fight for a free Europe started anew when the fires of World War II were still smoldering. The campaign may look dicey to the skittish senators and scribes in Washington. It looks a lot dicier from the front lines Irving Brown has been manning these last 40 years. Most of all, he'll tell a visitor, the struggle for a free Europe takes constant effort. "These things," he says, "don't just happen automatically."



Democracy Undermines Democracy

The new National Endowment for Democracy is a useful agency that has strayed from its mission, strengthening free institutions in third-world countries. Could anyone who favored its creation in 1983 have expected that it would siphon off funds to an opposition group in France? Yet a grant of $575,000 flowed to a right-wing student group. Another $830,000 went to Force Ouvrière, a reputable anti-Communist trade union. Both tried to conceal the source when the story blew up in the French press.

This amounts to a double betrayal of the endowment's purpose. France is a stable democracy with a strongly anti-Soviet Socialist Government; it is insulting and gratuitous for American taxpayers to subsidize an opposition group there. And all endowment grants are supposed to be open, precisely to avoid the embarrassing disclosures about funding made covertly by the C.I.A. over the years.

Endowment officials contend the grants were for nonpartisan purposes and were not meant to be secret. They offer an explanation: Of the $31 million originally voted by Congress, $13 million was channeled through autonomous labor and business institutes. The money sent to France went through the Free Trade Union Institute without adequate oversight by the endowment's board. Congress has now eliminated the channeling, requiring the endowment to supervise all grants directly and openly.

Carl Gershman, the chastened executive director, cites the endowment's good work in funding democratic programs in Chile, Poland, Panama and Guatemala. Nonetheless, it is remarkable that the French press had to alert the endowment to the dubious history of a major recipient with non-democratic origins, the Union Nationale Inter-Universitaire.

Imagine the outrage in America if President Mitterrand's Government were found to be covertly funding socialist opponents of the Reagan Administration.

New York Times December 30, 1985

THE NEW YORK TIMES, SUNDAY, DECEMBER 22, 1985

ESSAY | William Safire

Finder's Keeper

PARIS

A "keeper," in newspaper parlance, is a story held, or kept, for publication at a time it can have the most political effect. This too-careful timing of news is not as nefarious as the "roorback," or unanswerable election-eve smear, but in the U.S. is frowned on as advocacy journalism.

Columnists and editorial writers are expected to time their blasts to influence lawmakers and voters, because we are licensed mind-benders, but news-page reporting that happens to see the light of print just before a vote suggests manipulation by the media.

What looks to me like a Paris-Washington "keeper" was employed recently to affect American support for funding of the 40-year fight here to prevent takeover of all of Europe's labor movement by Communists.

A left-wing daily in Paris named Libération, bidding for the circulation of the more sober-sided Le Monde, splashed a piece originating in a tax-exempt foundation in Washington supported by Greenpeace, Playboy and the Gannett Foundation, among others.

The story was about "secret funding" of anti-Communist labor unions in France by our National Endowment for Democracy. That is the outfit set up two years ago by Congress to channel money to those political parties and unions struggling to protect free elections and democratic values abroad.

Not much fuss was raised in France, but in Washington, some Congressmen professed to be shocked at the revelation that the N.E.D. was doing the job it was set up to do.

As a New York Times article pointed out, the Libération story "came at a pivotal time for the endowment," just before a Senate-House committee was to decide its 1986 appropriation. One year ago, a similar story happened to break just before the House voted, causing panicky representatives to cut all funds for the anti-Communist campaign, which were later restored in a House-Senate conference. A pattern of leftist "keepers" to choke off aid to help free labor unions protect democracy is emerging.

To undermine the endowment, the aroused Democratic Congressmen demanded to know why any money was going into a country like France, which is a functioning democracy: Why didn't we limit aid only to democratic institutions in the third world? Were we trying to destabilize the Socialist Government of François Mitterrand?

The answer to that is plain to anyone aware of organized labor's struggle to resist Communist takeover in Europe. [illegible]

Protect democracy everywhere

unions as their central source of power. They have concentrated on strategic industries like mines and electricity; in Britain not so long ago, the coal miners profoundly influenced the party that controlled the Government, and even now their leader is trying to form a Western European pro-Soviet alliance.

In France, Communist-run unions represent 1.3 million workers, with political cells in every factory; at a time of crisis, they could paralyze the country. However, 900,000 other workers are represented by Force Ouvrière, its roots in the French anti-Nazi resistance, strongly anti-Communist; fortunately, they are predominant in aerospace.

The man who sensibly and properly steered about $1 million into the free labor unions in France is Irving Brown of the A.F.L.-C.I.O., who at 74 is legendary in Europe as the defender of free unionism. He says, "I can't understand the logic of not helping to protect democracy where it exists."

When the story of U.S. assistance broke here, free labor did not run for cover; on the contrary, Force Ouvrière said it was proud to be associated with the A.F.L.-C.I.O., and that many recipients were trade-union organizers forced out of Poland and Afghanistan. The "scandale" fizzled.

In Washington, the leftist alliance failed again; after some Congressmen pressed the endowment director to agree to make public all grants, conferees appropriated $18 million, the same as last year.

However, the harassment exacted its toll: The portion to be given out by organized labor was reduced, which takes funds from the channel in which they have been most effectively used; moreover, the anti-anti-Communist network is busily seeking to make public the verbatim deliberations of the democracy endowment, which would intimidate applicants and help defeat the purpose of the enterprise.

The endowment is infuriating the left because its money is being put to good use. Next November, at appropriations time, look for another eye-popping revelation by the dwindling clutch of activist Congressional staffers and advocacy journalists. At that time, more objective editors may

THE NEW
REPUBLIC
JANUARY 20, 1986

PLANTING SEEDS OF FREEDOM

Democracy may be less a choice that societies make than the result of a very limited variety of circumstances and histories. If this is so, one consequence is that the number of democracies in the world, and their resilience, is not likely to increase greatly. Another consequence is that the longtime grievance against American foreign policy—that the U.S. reflexively allies itself with undemocratic regimes and movements in parts of the world not yet at home with modernity or constitutionalism—loses much of its moral force. For if arbitrary rule is the destiny of the billions of people born outside the ambit of John Locke, then the character of our ties to other states may be judged primarily by the standards of realpolitik.

Those who reject the standards of realpolitik as callous and counter-historical must have a theory of how the great transformation can take place from governments that disregard the rights and trample the liberties of their people to governments that respect them. How does it happen?

Before 1917 and since, it has been thought by many millions of militants, and by more timid folk too, that revolution would do the trick. But in most countries that have experienced revolution, the result has been the increasing immiseration of the populace and its submission to forms of domination that are often more brutal, and only occasionally more subtle. The spark ignited by Lenin in Russia 70 years ago, therefore, no longer glows so brightly. The fires that spread from it have consumed too many lives and too much hope. The moral cachet of revolution hasn't survived the conflagration, at least among people who have seen it up close. This is the meaning of Solidarity, and of Charta 77, and indeed of the whole incandescently nonviolent underground in Central and Eastern Europe.

But from afar, the prospect of salvation by fire still has its enthusiasts. Thus the El Salvador guerrilla movement recently proclaimed itself to be what any astute observer already knew it was, a Marxist-Leninist vanguard. Given the bloody histories of such vanguards, this is uncommon fair warning. More often these days, the agrarian reformer disguise is not shed until the rebels sit in the seats of the mighty. By then it is too late; a democratic future is all but

Of course the struggle for democracy must still be waged against traditional privilege, as well as against the mesmerizing delusions of revolution. But democrats are always at a disadvantage when they compete with the ruthless. That is one reason why indigenous democratic forces are justified in expecting more than mere hand-wringing and moral support from mature democratic societies. They are entitled to concrete assistance. The United States succored the revival of democracy in postwar Europe and presided over its very creation in postwar Japan. Surely we should not be indifferent to the ordeal of struggling democrats around the world today.

The National Endowment for Democracy, a government-funded independent foundation, is an appropriate vehicle for solidarity with precisely such democrats who need help. It is an instrument of practical justice. The existence of NED does not preclude similar voluntary efforts by the vast networks of voluntary associations so characteristic of our democracy. What American churches are doing in South Africa is very similar to the mission envisioned by the legislation establishing the Endowment. But great public goals are never fulfilled solely by private action. Those who rightly criticize President Reagan's instinct to "privatize" every public purpose in the domestic arena seem worse than silly—and perhaps even insincere—when they argue that public solidarity with struggling democrats in the international arena should not be expressed in public acts or with public funds. Such abnegation would help only the dictatorships. The democrats of Spain and Portugal, once right-wing authoritarian regimes that are now full members of the brotherhood of democratic states, know just how important U.S. government assistance was in keeping them alive during the Franco and Salazar years. That assistance was directed to them by the CIA—yes, the CIA. And these were precisely the people who steered their countries away from the habits of fascism and the temptations of communism, into the constitutional mainstream of Western Europe. NED hopes that its support will sustain similar circles of democrats and their democratic activities in countries where the future has not yet been settled.

If you scrutinize any public or private bureaucracy, you are likely to find that it has made some mistakes. This is particularly so with a new agency. It turned out, for example, that the AFL-CIO's Free Trade Union Institute, using NED funds, has appropriated large sums to two French organizations, one of which has a shadowy history dating back to the *pieds noirs* of French Algeria. Reasonable questions might be raised about why U.S. money should be spent in vibrantly democratic France at all; there are also reasonable justifications for doing so. In any case, these particular errors, if errors they were, resulted from the initial legislation that gave NED little direct control over the congressionally mandated appropriations to the FTUI. In the new legislation continuing NED funding, this structural flaw has been corrected. (The flaw that puts arms of the Democratic and Republican parties into the decision-making process has not been corrected.)

By focusing on the French cases, however, critics tried to put into question the entire enterprise. This is fair neither to FTUI nor to NED. A few idiosyncratic connections notwithstanding, the historic role of the American trade union movement in bolstering trade unionism and democratic values internationally—and especially in the Third World, where a special sensitivity to the peasant sensibility was required—is nothing less than exhilarating.

NED has been functioning for a bit more than two years. It has assisted democrats in the Communist world and those driven into exile from it. The proportion of funds expended in such work has been small. In fact, the great burden of its funded activities has been in the less developed countries where false clichés have the U.S. collaborating against social and political change. Here the very idea of pluralist institutions must seem like something of a dream. But encouraging the critical habits of the press or the adversary stance of lawyers is just the kind of encouragement these societies need if freedom is to have a chance. Often NED supports democratic developments in countries whose governments, hardly unfriendly to the U.S., would prefer not to see democracy developing at all. This is essential to NED's purpose. This is the case now in the Philippines, where fully ten percent of NED's money is going. It is also the case in Paraguay, Chile, South Africa, and other countries where it takes bravery to want social and political change. To match the bravery of the kind of people we should want to help, NED may have to be more daring than public agencies are prone to be.

In Guatemala, NED aid was critical in mobilizing the population for the recent election, which has given that country its first hope in decades of ending the reign of terror. The election won't guarantee that democracy will flourish. But it has emboldened vast numbers of people, across the rigid stratifications of a poor and frightened polity, to believe that there is another way to live.

Such emboldening is the absolute precondition for democratic change. Without NED, the U.S. has no way to embolden the hopeless except with empty rhetoric or with guns.

NOTEBOOK

☐ THE AIRPORT BLOODBATHS in Rome and Vienna
sickening throwback to the early years of this terrori
This has been a banner year for Palestinian activist l
ery. The PLO is no longer "taking credit," as it used
in its less devious days, for the massacre. It points t
Nidal, whom it calls its mortal enemy, but who i
makes Yasir Arafat's life ironically easy. He does th
work while Arafat visits embassies and palaces and c
ences. Many people seem to feel that if Arafat didn
the order, he isn't responsible. In some sense, that i
(Though the *Achille Lauro* affair suggests that it may
little time before the matter of official PLO complic
comes clear.) Still, the larger moral responsibility for
ities like those in Rome and Vienna is *all* Yasir Arafat
was, and remains, the founding father of contem
Palestinian violence. Abu Nidal may have revolted a
the father, but he is a son nevertheless. The fact that
cannot control the monster he created does not a
him from its creation. If Israel acts against the PLC
be acting, therefore, against the heart of the probl
more difficult problem is Syria. This "indispensabl
er," as the sanitizing policy experts like to say, has
the past week provoking Israel with Soviet missil
presiding over the activities of Abu Nidal, who i
Syria. For too many, however, Hafez al-Assad's lo
with the king of Jordan suffices to obscure all that. I
President Reagan and the State Department hope th
el will not allow its anger to set back "the peace proc
line sentiment. But what is the more vivid sign of th
in the Middle East—the "peace process" or the tagg
bloodied bodies at the Rome airport?

☐ THE SLEAZEBALL WATCH: In 1976 a 16-year-old Pen
nia boy named Mark Holtzman wrote an admiring l
Ronald Reagan. By 1980 he was Reagan's Penns
campaign manager. In 1984, at age 24, he made $380,
lobbyist-consultant. Thomas B. Edsall told Holtzma
ry recently in the *Washington Post*. A company callec
nix Associates, for example, which packages real es
velopers' grant applications to the Department of H
and Urban Development, paid Holtzman $86,000. "
some contacts for them," Holtzman explained. Holt
running for Congress, and such are the current stanc
propriety that he actually presents his influence-p
in speeches as a demonstration of the Republican v
grit and initiative. "I'm always trying to take maxim
vantage of opportunities when they exist," he says

☐ AIRPORT '85: "If you [illegible] you are paying too man
the enclosed may be of interest to you," writes
described "account executive specializing in tax-
taged investments" at a national brokerage firm, in
to potential investors. What it describes is a typic
ter—the kind of worthless transaction the Hou

Appendix C   Letter to the New York Times from Eugenia Kemble

Free Trade Union Institute
815 Sixteenth Street, N.W. • Washington, D.C. 20006
202/637-5060

OFFICERS
LANE KIRKLAND
President
THOMAS R. DONAHUE
Secretary-Treasurer
EUGENIA KEMBLE
Executive Director

December 16, 1985

The Editor
New York Times
229 West 43rd Street
New York, New York 10036

To the Editor:

Ben Franklin's article on the labor programs in France funded by the AFL-CIO's Free Trade Union Institute (FTUI), with funds from the National Endowment for Democracy ("Democracy Project Facing New Criticisms," Dec. 4), is misinformed and biased. Its appearance on the day of a crucial Congressional decision on NED appropriations raises questions about the reporter's intentions.

Mr. Franklin says his "repeated" phone calls to me were unreturned. He informed my office at 4:45 p.m. the day before his article appeared that I had 20 minutes to respond before his filing deadline, although he had been working on the article for weeks. This pro forma gesture does not satisfy the standards of serious journalism.

The FTUI's programs in France were not secret. They were discussed in proposals submitted to the NED Board on April 3, June 8, and September 14, 1984. They were included in FTUI reports to the NED in June and November, 1984, including the annual report, and in reports dated February, May, and August, 1985. Mr. Franklin may find these reports insufficiently detailed; that hardly sustains a charge of "secrecy".

What has come to be known as my "secret memorandum" asked only that individual budget figures for some countries not be published. It also specifically stated: "This information is not secret when it comes to accountability." It further proposed to the NED president that he "pass the information on to those who need it." Moreover, the General Accounting Office had full access to the memo, the budget list attached to it, and to the FTUI files.

BOARD OF DIRECTORS
MARVIN J. BOEDE • SOL C. CHAIKIN • JOHN DeCONCINI • [illegible]

Though publicly funded, the NED is a privately incorporated organization that assists private organizations to strengthen democratic institutions. Some of our grantees preferred, for reasons understandable to all but the most naive, that the specific amount of their grants not be widely publicized. We sought to be sensitive to their concerns, and my memorandum sounded that note of caution. Without that sense of discretion, it will be hard for private-sector organizations to win the trust of their counterparts abroad. The NED Board had accepted our reasoning and our position on this matter.

The implication that FTUI sought to undermine the Mitterrand government is absurd. No funding was for such a purpose. Our funding for a particular program of a particular organization cannot be construed as denying that organization the right to express itself on other issues or policies, at least not without doing damage to the very pluralism the Endowment was intended to promote. Some of our grantees may support their governments, others may oppose them; we are in the business of doing neither. There is more to foreign policy than the relationships of governments to one another. No less important are the relationships among free institutions. That's why we need the NED.

Curiously, Mr. Franklin repeats charges made 18 months ago that FTUI funds in Panama "had been spent in a Presidential election campaign"--a "discovery" to our Embassy there. This charge had been refuted: the funds were used by Panamanian unions for a get-out-the-vote effort. The Embassy had been informed. (By coincidence, Mr. Franklin's erroneous story on this matter appeared two days before a key House appropriation vote, and the NED appropriation was lost. It was restored when the facts were brought to light.)

Some may argue, though we are not persuaded, that the promotion of human rights and democratic institutions should be the exclusive preserve of the State Department-- or even the CIA. But if we can see the value of private sector bridge-building abroad, then we must ask: at what point does government control of such efforts rob private organizations of their credibility? The AFL-CIO can do a lot more abroad with public funds than without them. But with or without them, we do not intend to be an appendage of any arm of government.

Sincerely,

Eugenia Kemble

Eugenia Kemble
Executive Director

Appendix D Memorandum to Carl Gershman from Eugenia Kemble

MEMORANDUM

TO: Carl Gershman

FROM: Eugenia Kemble EK

RE: Budget List Enclosed

As we have discussed, there are a number of projects we are funding where recipients would either be endangered or embarrassed if specific budgets were published or announced. This information is not secret when it comes to accountability, but we would like to avoid advertising it. I am listing the relevant countries below so that you can pass the information on to those who need it. In these cases either repressive governments or Communist front groups could use the information to hurt individuals or unions we are seeking to help.

The Philippines
Chile
Brazil
Nicaragua
Poland
France
Portugal
Suriname
Paraguay

There are many others where the publication of figures would not be helpful. These are just the ones where it would be most harmful.

Many thanks to you and others for considering this problem.

US funds subsidising French union activities

the company of
rganisations that
importanct and
committed, like,
he UNI (Union
universitaire), a
nt union, which
t largest amount
rade Union Insti-
0 for the same

as founded after
nly 3.03 per cent
last university
im is to bring
ly in the univer-
ho seek to defend
ponsible society
ist and socialist

oppression." UNI operates as a lobby for distributing handbills and posters of Opposition parties. Its links with the now disbanded SAC (Service action civique) are well known today following the parliamentary report which was made on it. Its president, Jacques Rougeot, is seen at many Opposition gatherings.

Since "Liberation's" disclosures in this matter, the debate has now shifted to another level — the value of the subsidies paid out and the financing of labour unions.

Carl Gershman, president of the National Endowment for Democracy, has confirmed in Washington that his organisation had in fact planned to give $ 830,000 to FO in two years (1984-1985) and $575,000 to UNI. According to him, FO has already received half the sum allotted to it and UNI almost all of the earmarked amount. AFL-CIO spokesman Murray Seeger says that NED was to have given FO only $30,000 and UNI $275,000.

Gershman also explained the circumstances under which the subsidies were decided. The Free Trade Union Institute, a private non-profitmaking body founded in 1977 and affiliated to the AFL-CIO, proposed the subsidies as part of a plan to help foreign non-communist labour unions. The proposal was unanimously approved by the NED's 17-member board, which includes AFL-CIO president Lane Kirkland, former US Secretary of State Henry Kissinger, and former Democratic Presidential candidate Walter Mondale.

NED received $18.5 million from the federal government. The money given to FO and UNI, Gershman said, amounted to only 4 per cent of its funds. It had also given money to labour unions in Asia, Africa and Latin America, Solidarity in Poland, and various associations in the United States itself.

With the exception of the CGT,

Continued from page 11

whose treasurer described all this as a "move to destabilise militant trade unionism", the other French unions have so far not said a word. All these unions are in fact having a hard time today balancing their budgets, especially as membership is declining. They say that 80 per cent of their funds come from union dues, with the rest being various subsidies, mostly official allocations intended for job training and promoting trade unionism. The Labour Ministry has given Frs 80 million this year to six labour confederations, with two-thirds of the amount going to the CGT, CFDT and the FO.

(November 28,29)

Appendix E   Statements from FTUI Grant Recipients in France

Dear Ms. Kemble:

Following up on our conversation of January 9th, I would like to confirm to you that the aid provided by the National Endowment for Democracy is utilized solely for activities against the Communist movement, nationally and internationally.

This activity is at the same time of an intellectual and activist nature. It consists of:

--the publication and distribution of numerous journals, tracts, brochures and books;

--participation in and organizing of conferences in France and abroad;

--the preparation and distribution of numerous posters and leaflets.

With best regards,

Jacques Rougeot, President
Union Nationale Inter-universitaire

QUÊ MẸ

tạp-san văn-hóa và liên-lạc người việt hải-ngoại
25 rue jaffeux, 92230 gennevilliers • france • tél. paris (1) 795 10 81

1760/86/VA

Ms Eugenia KEMBLE
Executive Director
Free Trade Union Institute
815 Sixteenth Street NW
Washington DC 20006
U.S.A.

10th January 1986

Dear Ms Kemble,

I am writing to express my concern, and that of my colleagues at Quê Me, over the serious controversy in the United States and in the Congress which was recently aroused following an article in the French newspaper "Liberation", and by a concerted press campaign which followed in the United States.

My concern turned to pure indignation when I read the second article in Liberation, which expressed with unbridled satisfaction this newspaper's delight over the impact of its campaign, and gloated over its successful achievement - i.e. the cutting of funds allocated to the Free Trade Institute by the National Endowment for Democracy.

I find it hard to believe that the F.T.U.I. can come under criticism for contributing in such a positive way to the everyday struggle of those people who are risking their lives to defend the democratic principles in which they believe.

At a time when the Soviet bloc is pouring unlimited resources into its ideological advance, this press campaign can only be seen as a conspiration of anti-democratic forces seeking to cut off the life-line and cripple the activities of organisations struggling against left and right wing dictatorships throughout the world. Since 1986, as we have been able to observe, whenever the totalitarian world has not been involved in direct, open conflict with the free world, they have indulged in "sniper" tactics, which aim to discreetly eliminate, one by one, and by every possible means, movements struggling for democracy in Third world countries.

The government of Hanoi, with the backing of the Soviet Union, has for the past 10 years systematically repressed all individuals and communities struggling for freedom. Catholics, Buddhists, Protestants, Cao Dai and Hoa Haos are persecuted cruelly, imprisoned, forbidden to practise their beliefs. Writers, artists, intellectuals, trades unionists are imprisoned without trial for indefinite periods in reeducation camps. The only hope for these people resides in our efforts to make their voices heard in the free world.

Quê Me was created in October 1975 in the aim of playing

. . . / 2

its part in the struggle. We worked without the benefit of any financial subvention or support, surviving only off the profits of our small printing house, and the modest contributions of the readers of our magazine. Despite the devoted efforts of our team, this proved an impossible task, and by 1983 we faced a dramatic financial crisis. Without the help of a group of Soviet and international dissidents led by the mathematician Leonid Pliouchtch, who launched an appeal to save Quê Me, we would have been forced to cease our activities. The F.T.U.I.'s response to this appeal, and its support has helped us to pursue vitally important projects and campaigns.

We live at a moment in time when the Soviet Union is focusing its attention on Asia, and the Vietnamese Communist Party is using all its diplomacy to artfully beguile European countries, and particularly France, into supporting the Hanoi regime. Situated as we are in Paris, we are directly faced with this conflict, and also by the massive campaign of infiltration by Vietnamese communist agents into the refugee community. These are all reasons why it is so vital to strive on behalf of those persecuted in their fight for freedom in Vietnam, so that their voice might be heard above the mélee. For theirs is the true voice of democracy. And it is my intimate conviction that their cry will be echoed, and that thanks to international solidarity we shall together be able to push back the frontiers of dictatorship and totalitarianism in the world.

With the hope that you will be able to continue the important work of the Free Trade Union Institute,

Sincerely,

VO VAN AI

President,
Association of Vietnamese
Overseas : Culture and
Liaison,

Enclosures : 2

Appendix F Statement from the UNI and a List of Prominent UNI Members

Translation

This is a press communique issued by UNI today, December 6, 1985.

The communique is as follows:

An article appearing in the NEW REPUBLIC claims on the basis of a parliamentary commission of inquiry concerning SAC (Civic Action Service) that UNI is supposed to have been an outgrowth of this organization. UNI wishes to deny most affirmatively and formally this accusation. UNI recalls that this commission of inquiry, established at the request of the Communists, was only composed of the Communist and Socialist deputies, the deputies of the opposition having refused to participate in a body so obviously sectarian.

The UNI was established in January 1969 by university people—faculty and students—completely independent of any other organization. It had evolved with its own means. It has proven its legitimacy on every occasion which includes elections on the national and local levels, involving both students and instructors. It counts amongst its members distinguished personalities occupying or having occupied the highest positions as ministers, academicians, directors, presidents of universities and deans, etc.

s/Jacques Rougeot

President, UNI

List of a Number of Public Figures Who Are Members of UNI

1 - MINISTERS

Alice SAUNIER-SEITE Professor of Geography, Former Minister of Universities

Jean FOYER Professor of Law, Former Minister of Justice

Joseph COMITI Professor of Medicine, Former Minister of Youth and Sports

2 - BISHOP OF THE CATHOLIC CHURCH

Pierre EYT Rector of the Catholic University of Paris

3 - UNIVERSITY CHANCELLERY RECTORS

(There are 23 rectorates in France which divide the country into Districts of Public education. Each University Chancellery Rector represents the state in all the educational establishments -- primary, secondary, and higher -- which are situated in his district. Those below are former University Chancellery Rectors)

Pierre ALBAREDE Professor of Medicine

Francois DOUMENGE Professor of the National Museum of Natural History, Director of the Vincennes Zoo

Yves DURAND Professor of History

Jacques gARRAN Honorary Professor

Rollande GADILLE Honorary Professor

Pierre MAGNIN Professor of Medicine

Denis QUIVY Professor of Physics

Claude ROCHE Professor of Mathematics

Yves SAUDRAY Honorary Professor

4 - MEMBERS OF THE ACADEMIES

(The French Academies gather together the most eminent and celebrated persons in each intellectual discipline. There are less than five hundred members of all the Academies.)

Charles DEBRAY Professor of Medicine, Member of the Academie Nationale de Medecine

J. A. DIEUDONNE Professor of Mathematics, Member of the Academie des Sciences

Hugues GOUNELLE de PONTANEL Professor of Medicine, Member and Former Vice-President of the Academie Nationale de Medecine

Pierre GRASSE Honorary Professor, Member of the Academie des Sciences

Xavier LECLAINCHE Professor of Medicine, Member and former Vice-President of the Academie Nationale de Medecine

5 - UNIVERSITY PRESIDENTS

Jacques BOMPAIRE Professor of Classical Letters, President of the University of Paris-Sorbonne (Paris IV)

Jean-Louis BEAUMONT Professor of Medicine, Former President of the University of Paris XII

Jean DRY Professor of Medicine, Former President of the Pierre and Marie Curie University (Paris VI)

Pierre DEBRAY-RITZEN Professor of Medicine, Former Vice-President of the Pierre and Marie Curie University (Paris VI)

6 - UNIVERSITY DEANS AND DEPARTMENT DIRECTORS

Yves ROCARD Professor of Physics, Former Director of Laboratories at the Ecole Normale Superieure de Paris

Philippe OLMER Professeur of Physics, Former Director General of Higher Education

Daniel DUGUE Former Director of the Statistical Institute of the Universities of Paris

Pierre BACCHUS Professor of Physics, Director of Astronomical Laboratories, University of Lille

Claude BETHOURNE Professor of Medicine, Dean of the Medical Faculty, Rene Descartes (University of Paris V)

Andre DECOCQ Professor of Law, Former dean of the faculty, University of Lyon III

Francis BALLE	Director of the French Press Institute, at the University of Law, Economics and Social Sciences, University of Paris (Paris II)
Frederic DELOFFRE	Professor of French Literature, Director of the Institute of the French Language, University of Paris-Sorbonne (Paris IV)

7 - OTHER PERSONALITIES

Michel CARAGE	Compagnon de la Liberation
Jean MEO	Former Director of the Agency HAVAS, President of the National Council of the Rassemblement pour la republique (RPR)
Jean QUESNEL	Former Director of the National Employement Agency
Jacques GUGGENHEIM	Director General of LOCATEL
Jacques GODFRAIN	Deputy to the French National Assembly

Appendix G The Center for Investigative Reporting

THE CENTER FOR INVESTIGATIVE REPORTING

The Center for Investigative Reporting (CIR) was set up in 1977, it maintains, to enable writers to conduct "in depth investigative reporting" made "more important than ever in our increasingly complex, bureaucratic and secretive society." Established as a non-profit and tax-exempt organization, the CIR has been described as a "journalistic cooperative." Staff writers frequently work together on stories subsidized by funds obtained through CIR. Headquartered in San Francisco, CIR maintains a Washington office.

Early stories produced by CIR staff appeared in such magazines as MOTHER JONES, THE PROGRESSIVE, THE NATION and NEW WEST. CIR stories frequently use themes familiar to readers of MOTHER JONES: corporate corruption, environmental destruction caused by American business and government, exposes on military spending and the dangers of nuclear energy.

In addition to its clients, CIR has sought and obtained funds for its projects from foundations such as the Stern Fund and the Ruth Mott Fund which regularly contribute to environmental and disarmament groups.

Since 1980 CIR has increasingly performed work for television and has had contracts with ABC's 20/20, CBS's 60 MINUTES and NBC's San Francisco affiliate KRON. Over the years CIR writers have had increasing success in publishing their work in major newspapers and wire services.

Longtime associate of CIR, Mark Schapiro co-authored an award-winning article for MOTHER JONES in 1979 that helped establish CIR's reputation. Much of Schapiro's work may be for television. He is described in one issue of CIR's in-house publication as its "television coordinator in Washington."

Schapiro's focus has changed from environmental issures to two other targets: defense spending and the USIA. In 1984 Schapiro helped produce for ABC an expose on the Pershing II missile. An article by Schapiro on this subject appeared in LIBERATION, the Paris daily that would later print the FTUI story co-authored with Annette Levy. That same year he co-authored an expose on USIA Director Charles Wick for MOTHER JONES. This year's October issue of the WASHINGTON MONTHLY contains an article by Schapiro critical of Wick and USIA's World Net program.

western union **Telegram**

```
IPMWGWX WSH1-005181A009 01/09/86
ICS IPMWGWP WSH
00641 01-09 0955A EST
ICS IPMWGWX
1-005059A009 01/09/86
ICS IPMRINF RNO
 02951 READ NV 01-09 0650A PST RYNE
ICS IPMWGWS
1-070767G009 01/09/86
ICS IPMIIMX IISS
  IISS F M WUW 09 0726
PMS WASHINGTON DC
FUD026 ZTM002 TTM659
USWA CO FRXX 113
PARIS 113/107 9 1315 PAGE 1/50
```

RECEIVED
JAN - 9 86

CARL GERSHMAN
NATIONAL ENDOWMENT FOR DEMOCRACY
1156 15TH STREET NW SUITE 304
WASHINGTONDC/20005

AM UNRECEIPT OF YOUR LETTER JANUARY 2 ANNOUNCING DISPATCH OF MARC PLATTNER TO FRANCE AND SEEKING CORPORATIONS. ANXIOUS TO

western union **Telegram**

COOPERATE BUT INSIST ON FTUI OR AFL-CIO PRESENCE IN OUR MEETINGS WITH GRANTEES. THIS IS BOTH APPROPRIATE AND

COL 1156 15TH 304 WASHINGTONDC/20005 2 AFL-CIO

TTM659 PAGE 02/57

CONSISTENT WITH
PAST PRECEDENT. NONE OF OUR REPRESENTATIVES ARE SCHEDULED TO BE IN FRANCE AT THAT TIME. 2 WEEKS NOTICE IS INSUFFICIENT FOR US TO MAKE NECESSARY SCHEDULE CHANGES. WE WOULD HOPE FOR FUTURE COLLABORATION IN ARRANGING SUCH MATTERS AND LOOK FORWARD TO HEARING FROM YOUR OFFICE. I WILL BE IN MY OFFICE JANUARY 13
EUGENIA KEMBLE

COL 2 13

NNN
0931 EST

National Endowment for Democracy

January 2, 1986

Ms. Eugenia Kemble
Executive Director
The Free Trade Union Institute
815 16th Street, N.W.
Washington, D.C. 20006

Dear Genie:

In response to your letter of December 12 requesting written clarification of the kind of report the Endowment would like regarding FTUI's grant to the Union Nationale Inter-Universitaire, let me reiterate my initial request. The report should include a detailed financial accounting of funds expended; any information confirming the democratic credentials of UNI; and any other information which will contribute to a clarification of the charges that have been made regarding UNI's character and associations, in particular those concerning its relationship with the Service d'Action Civique (SAC).

In addition, I have asked Marc Plattner, our Director of Program, to go to France to make an appraisal of UNI and the activities it conducted under the terms of the grant. He will expect to meet with your representative in France, with UNI representatives, and with other people whose views would be valuable in assessing the questions raised above. He is scheduled to depart on January 18th, so we would hope to have your report before then.

As I stated in my letter of November 29, in response to Congressman Brown's inquiry I would also like a progress report, including a financial accounting and assessment, of your five other grants in France. I think what's required is obvious -- a detailed description of the organizations you are supporting; the activities being carried out with Endowment support, including both a budget and a detailed accounting of expenditures to date; and the relation of these activities to Endowment purposes as defined in our original authorizing legislation. As you will note, this corresponds to the outline for a project report contained in the Endowment's Procedures Manual, approved by the Board on June 8, 1984.

BOARD OF DIRECTORS
John Richardson
Chairman
Frank J. Fahrenkopf, Jr.
Vice Chairman
Polly Baca
William E. Brock III
LeGree Daniels
Dante B. Fascell
Charles T. Manatt
Walter F. Mondale
Olin Robison
Albert Shanker
Carl Gershman
President

We would like to respond to the Congressman's request in the very near future so we hope to have your report soon. If you have any additional questions, please let me know.

With best wishes for the New Year.

Sincerely,

Carl

Carl Gershman

National Endowment for Democracy

November 29, 1985

Ms. Eugenia Kemble
Executive Director
Free Trade Union Institute
815 16th Street, N.W.
Washington, D.C. 20006

Dear Genie:

As you know, after consulting with you, I have suspended the grant to Union Nationale Inter-Universitaire (UNI) as of November 26, 1985, pending clarification of the issues that have been raised in the press regarding the organization's character and associations.

I realize that UNI may be the victim of slanderous charges and guilt by association. But I must be confident that the charges against UNI are without foundation, and do not cast doubt upon the organization's democratic character, before I can recommend that we resume funding.

I therefore request that you submit a report on FTUI's grant to UNI which should include, in addition to a detailed financial accounting of funds expended to date and evaluation of the project, any information you can provide regarding UNI's relationship since its inception with the Service D'Action Civique (SAC).

Since I must also respond to a letter from Congressman Hank Brown regarding your grants in France (copy enclosed), and can expect other inquiries along the same lines, I would appreciate a progress report, including financial accounting and evaluation, of your five other grants in France.

Thank you very much for your cooperation.

Sincerely,

Carl

Carl Gershman

Enclosure: as stated

1156 Fifteenth Street, N.W., Suite 304, Washington, D.C. 20005 (202) 293-9072

BOARD OF DIRECTORS
John Richardson
Chairman
Frank J. Fahrenkopf, Jr.
[illegible]
[illegible]
Polly Baca
William E. Brock III
LeGree Daniels
Dante B. Fascell
[illegible]
Charles T. Manatt
Walter F. Mondale
Olin Robison
Albert Shanker
[illegible]
Carl Gershman
President

Translation

This is a press communique issued by UNI today, December 6, 1985.

The communique is as follows:

An article appearing in the NEW REPUBLIC claims on the basis of a parliamentary commission of inquiry concerning SAC (Civic Action Service) that UNI is supposed to have been an outgrowth of this organization. UNI wishes to deny most affirmatively and formally this accusation. UNI recalls that this commission of inquiry, established at the request of the Communists, was only composed of the Communist and Socialist deputies, the deputies of the opposition having refused to participate in a body so obviously sectarian.

The UNI was established in January 1969 by university people—faculty and students—completely independent of any other organization. It had evolved with its own means. It has proven its legitimacy on every occasion which includes elections on the national and local levels, involving both students and instructors. It counts amongst its members distinguished personalities occupying or having occupied the highest positions as ministers, academicians, directors, presidents of universities and deans, etc.

s/Jacques Rougeot

President, UNI

le 2 décembre 1985

Cher Monsieur,

Je vous prie de bien vouloir trouver ci-joint une liste de personnalités ayant adhéré à l'U.N.I., et une liste de personnalités ayant soutenu ou ayant pris position publiquement en faveur de l'U.N.I.

Par ailleurs vous trouverez également joint le facsimilé du FIGARO du 29 juin 1985 qui publie les 900 premiers professeurs d'université ayant signé notre manifeste qui à la date d'aujourd'hui a atteint 1500 signataires.

Veuillez croire, Cher Monsieur, à l'expression de mes meilleurs sentiments.

Jacques ROUGEOT

P.S. Je vous ferai parvenir dans un prochain courrier quelques articles de presse.

Monsieur Irving BROWN
815 16th street NW room 705
WASHINGTON DC 20006
ETATS-UNIS

LISTE DES PERSONNALITES AYANT SOUTENU OU AYANT PRIS PUBLIQUEMENT POSITION EN FAVEUR DE L' U.N.I.

Monseigneur le Cardinal Paul POUPARD   Ancien Recteur de l'Institut Catholique de Pari

Alain de BOISSIEU   Général, Ancien Chef d'Etat Major des Armées, Ancien Grand Chancelier de l'Ordre de la Légion d'Honneur

Jean DORST   Ancien Directeur du Muséum Nationale d'Histoire Naturelle, Membre de l'Académie des Sciences

Robert de VERNEJOUL   Ancien Président de l'Ordre des Médecins, Membre de l'Académie des Sciences

Bernard PONS   Ancien Secrétaire Général du RPR

Pierre BOYANCE   Membre de l'Académie des Inscriptions et Belles Lettres

Roger DION   Professeur honoraire au Collège de France

Martial GUEROULT   Membre de l'Académie des Inscriptions et Belles Lettres

René JOYEUX   Professeur à l'Université Médicale de Montpellier

Raymond LEBEGUE   Membre de l'Académie des Inscriptions et Belles Lettres

Henri MAZEAUD   Membre de l'Académie des Sciences Morales et Politiques

François PERROUX   Professeur honoraire au Collège de France

Raymond TURPIN   Membre de l'Académie Nationale de Médecine

LISTE DE QUELQUES PERSONNALITES AYANT ADHERE A L'U.N.I.

Alice SAUNIER-SEÏTE Professeur de Géographie, Ancien Ministre des Universités

Jean FOYER Professeur de Droit, Ancien Ministre de la Justice, Ancien Garde des Sceau

Jean COMITI Professeur de Médecine, Ancien Ministre de la Jeunesse et des Sports

Monseigneur Pierre EYT Recteur de l'Université Catholique de Paris

Pierre ALBAREDE Professeur de Médecine, Ancien Recteur d'Académie, Chancelier des Universités

François DOUMENGE Professeur au Muséum National d'Histoire Naturelle, Directeur du Zoo de Vincennes, Ancien Recteur d'Académie, Chancelier des Universités

Yves DURAND Professeur d'Histoire, Ancien Recteur d'Académie, Chancelier des Universités

Jacques FARRAN Professeur honoraire, Ancien Recteur d'Académie, Chancelier des Universités

Rollande GADILLE Professeur honoraire, Ancien Recteur d'Académie, Chancelier des Universités

Pierre MAGNIN Professeur de Médecine, Ancien Recteur d'Académie, Chancelier des Universités

Denis Quivy Professeur de Physique, Ancien Recteur d'Académie, Chancelier des Universités

Claude ROCHE Professeur de Mathématique, Ancien Recteur d'Académie, Chancelier des Universités

Yves SAUDRAY Professeur honoraire, Ancien Recteur d'Académie, Chancelier des Universités

Hugues GOUNELLE de PONTANEL Professeur de Médecine, Ancien Vice-Président de l'Académie Nationale de Médecine, Membre de l'Académie Nationale de Médecine

J. A. DIEUDONNE Professeur de Mathématique, Membre de l'Académie des Sciences

Pierre GRASSE Professeur honoraire, Membre de l'Académie des Sciences

Charles DEBRAY Professeur de Médecine, Membre de l'Académie Nationale de Médecine

Xavier LECLAINCHE Professeur de Médecine, Ancien Vice-Président de l'Académie Nationale de Médecine, Membre de l'Académie Nationale de Médecine

LISTE DE QUELQUES PERSONNALITES AYANT ADHERE A L'U.N.I. (suite)

Jacques BOMPAIRE	Professeur de Lettres Classiques, Président de l'Université de PARIS-SORBONNE (Paris IV)
Jean-Louis BEAUMONT	Professeur de Médecine, ancien Président de l'Université de Paris XII
Jean DRY	Professeur de Médecine, Ancien Président de l'Université Pierre et Marie Curie (Paris VI)
Pierre DEBRAY-RITZEN	Professeur de Médecine, Ancien Vice-Président de l'Université Pierre et Marie Curie (Paris VI)
Yves ROCARD	Professeur de Physique, Ancien Directeur des Laboratoire de l'Ecole Normale Supérieur de Paris
Philippe OLMER	Professeur de Physique, Ancien Directeur Général des Enseignement Supérieur, Ancien Directeur Adjoint de l'Ecole Polytechnique
Daniel DUGUE	Ancien Directeur de l'Institut statistiques des Universités de Paris
Pierre BACCHUS	Professeur de Physique, Ancien Directeur des Laboratoires d'Astronomie à l'Université de Lille
André DECOCQ	Professeur de Droit, Ancien Doyen de la Faculté de Lyon III
Claude BETHOURNE	Professeur de Médecine, Doyen à la Faculté de Médecine René Descart (Paris V)
Francis Balle	Directeur de l'Institut France Presse à l'Université de Droit, d'Economie et de Sciences Sociales de Paris (Paris II)
Frédéric DELOFFRE	Professeur de Littérature Française, Directeur de l'Institut de Langue Française à Paris-Sorbonne (Paris IV)

AUTRES PERSONNALITES

Michel CARAGE	Compagnon de la Libération
Jean MEO	Ancien Directeur de l'Agence HAVAS, Président national du Conseil RPR
Jean QUESNEL	Ancien Directeur Fondateur de l'Agence National pour l'Emploi
Jacques GUGGENHEIM	Directeur Général de LOCATEL
Jacques GODFRAIN	Député de l'Aveyron

4. Would the Endowment also provide copies of grant agreements, correspondence, receipts, and financial reports between the Free Trade Union Institute and the UNI, as well as copies of UNI publications funded by the Endowment? If the Endowment does not have copies already in its possession, could it request them from the Free Trade Union Institute?

As requested, the Endowment has asked the Free Trade Union Institute to provide the material noted in this question.

TUESDAY, MARCH 25, 1986.

UNITED STATES INFORMATION AGENCY

WITNESSES

CHARLES Z. WICK, DIRECTOR

RICHARD W. CARLSON, ACTING ASSOCIATE DIRECTOR FOR VOICE OF AMERICA

MARK BLITZ, ASSOCIATE DIRECTOR FOR EDUCATIONAL AND CULTURAL AFFAIRS

WOODWARD KINGMAN, ASSOCIATE DIRECTOR FOR MANAGEMENT

CHARLES HORNER, ASSOCIATE DIRECTOR FOR PROGRAMS

ALVIN SNYDER, DIRECTOR, TELEVISION AND FILM SERVICE

ERNESTO F. BETANCOURT, DIRECTOR, RADIO MARTI PROGRAM

VICTOR H. LI, PRESIDENT, EAST-WEST CENTER, INC.

THOMAS E. HARVEY, GENERAL COUNSEL AND CONGRESSIONAL LIAISON

STANLEY M. SILVERMAN, AGENCY COMPTROLLER

MORTON SMITH, DEPUTY DIRECTOR, VOICE OF AMERICA (MODERNIZATION)

Mr. SMITH. This morning we shall consider the fiscal year 1987 budget request for the United States Information Agency. The fiscal year 1987 request totals $959,195,000 for the six appropriation accounts for the USIA. The request for the individual appropriation accounts are: Salaries and Expenses, $608,883,000; Educational and Cultural Exchange Programs, $166,566,000; Radio Construction, $131,708,000; Radio Broadcasting to Cuba, $11,639,000; East-West Center, $20,288,000; and National Endowment for Democracy, $20,111,000. The total request represents an increase of $104,542,000 above the appropriations enacted for fiscal year 1986, adjusted for sequestration under Public Law 99-177.

We shall insert at this point in the record the justification materials submitted in support of these budget requests.

[The justification materials follow:]

UNITED STATES INFORMATION AGENCY
Summary of Positions and Appropriations, 1985 - 1987
(Funds in thousands)

Appropriations	1985 Appropriations		1986 Appropriations		1987 Request		Difference	
	Pos.	Funds	Pos.	Funds	Pos.	Funds	Pos.	Funds
Salaries and Expenses:								
Enacted Appropriation and 1987 Request	9,167	$542,977	9,389	$571,000	9,446	$608,883	57	$37,883
Comparative Transfers:								
National Endowment for Democracy	--	-18,500	--	--	--	--	--	--
Special Foreign Currency	--	6,824	--	--	--	--	--	--
Proposed Supplemental	--	--	17	17,326	--	--	-17	-17,326
Subtotal (Comparative Basis)	9,167	531,301	9,406	588,326	9,446	608,883	40	20,557
Reduction Pursuant to P.L. 99-177	--	--	--	-24,553	--	--	--	24,553
Total (Comparative Basis)	9,167	531,301	9,406	563,773	9,446	608,883	40	45,110
Educational and Cultural Exchange Programs:								
Enacted Appropriation and 1987 Request	--	140,000	--	140,500	--	166,566	--	26,066
Comparative Transfer from Special Foreign Currency Program	--	1,176	--	--	--	--	--	--
Reduction Pursuant to P.L. 99-177	--	--	--	-6,042	--	--	--	6,042
Total (Comparative Basis)	--	141,176	--	134,458	--	166,566	--	32,108
Radio Construction:								
Enacted Appropriation and 1987 Request	--	91,648	--	114,000	--	131,708	--	17,708
Reduction Pursuant to P.L. 99-177	--	--	--	-4,902	--	--	--	4,902
Total	--	91,648	--	109,098	--	131,708	--	22,610
Radio Broadcasting to Cuba:								
Enacted Appropriation and 1987 Request	187	8,500	187	10,700	187	11,639	--	939
Reduction Pursuant to P.L. 99-177	--	--	--	-460	--	--	--	460
Total	187	8,500	187	10,240	187	11,639	--	1,399
East-West Center:								
Enacted Appropriation and 1987 Request	--	19,000	--	20,750	--	20,288	--	-462
Reduction Pursuant to P.L. 99-177	--	--	--	-892	--	--	--	892
Total	--	19,000	--	19,858	--	20,288	--	430

Summary of Positions and Appropriations, 1985 - 1987 - continued

(Funds in thousands)

Appropriations	1985 Appropriations		1986 Appropriations		1987 Request		Difference	
	Pos.	Funds	Pos.	Funds	Pos.	Funds	Pos.	Funds
National Endowment for Democracy:								
Enacted Appropriation and 1987 Request.......	--	$ --	--	$ 18,000	--	$ 20,111	--	$ 2,111
Comparative Transfer from Salaries and Expenses..............................	--	18,500	--	--	--	--	--	--
Reduction Pursuant to P.L. 99-177............	--	--	--	-774	--	--	--	774
Total (Comparative Basis)..................	--	18,500	--	17,226	--	20,111	--	2,885
Grand Totals:								
Enacted Appropriations and 1987 Request......	9,354	810,125	9,576	874,950	9,633	959,195	57	84,245
Supplemental Request..........................	--	--	17	17,326	--	--	-17	-17,326
Reduction Pursuant to P.L. 99-177............	--	810,125	--	-37,623	--	--	--	37,623
Enacted and Estimated Appropriations.......	9,354	810,125	9,593	854,653	9,633	959,195	40	104,542

UNITED STATES INFORMATION AGENCY

STATEMENT RELATING APPROPRIATION ESTIMATES TO CURRENT APPROPRIATIONS

	Salaries and Expenses	Special Foreign Currency Program	Educational & Cultural Exchange Programs	Radio Construction	Radio Broad-casting to Cuba	East-West Center	National Endowment for Democracy	Total
1985 Appropriations as Enacted	$542,977,000	$8,000,000	$140,000,000	$91,648,000	$8,500,000	$19,000,000	$ —	$810,125,000
Comparative Transfers:								
National Endowment for Democracy	-18,500,000	--	—	—	--	--	18,500,000	—
Special Foreign Currency	6,823,596	-8,000,000	1,176,404	--	--	--	—	--
1985 Appropriations as Revised	531,300,596	—	141,176,404	91,648,000	8,500,000	19,000,000	18,500,000	810,125,000
1986 Appropriations as Enacted (P.L. 99-180, 99-190)	571,000,000	—	140,500,000	114,000,000	10,700,000	20,750,000	18,000,000	874,950,000
Reduction Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177)	-24,553,000	--	-6,041,500	-4,902,000	-460,100	-892,250	-774,000	-37,622,850
Proposed Supplemental	17,326,000	--	--	--	--	--	—	17,326,000
1986 Anticipated Appropriation	563,773,000	--	134,458,500	109,098,000	10,239,900	19,857,750	17,226,000	854,653,150
Adjustments Needed to Continue 1986 Program in 1987 and to Reach 1987 Estimate:								
1. Salary and cost adjustments to continue 1986 program in 1987:								
a. Price Increases (note 1)	7,729,429	—	6,457,098	--	222,000	538,000	756,000	15,702,527

STATEMENT RELATING APPROPRIATION ESTIMATES TO CURRENT APPROPRIATIONS
(continued)

	Salaries and Expenses	Special Foreign Currency* Program	Educational & Cultural Exchange Programs	Radio Construction	Radio Broad-casting to Cuba	East-West Center	National Endowment for Democracy	Total
b. Foreign national wage increases (note 2)	$ 5,350,993	$ —	$ —	$ —	$ —	$ —	$ —	$ 5,350,993
c. Increase in Federal Building Fund Rent System levied by GSA (note 3)	4,695,959	—	—	—	265,440	—	—	4,961,399
d. Full-year costs of continuing the Voice of America's staff and program modernization (note 4)	4,133,169	—	—	—	—	—	—	4,133,169
e. Net full-year costs of continuing WORLDNET networks begun in 1986, offset by one-time 1986 equipment purchases and other costs (note 5)	2,167,426	—	—	—	—	—	—	2,167,426
f. Full-year requirements for exhibits, cultural showings, and the Kiev Press and Cultural office in the Soviet Union associated with the President's cultural accords	3,471,218	—	—	—	—	—	—	3,471,218
g. Replacement of foreign national employees in Moscow with overseas Americans as mandated by P.L. 99-93	1,502,328	—	—	—	—	—	—	1,502,328
h. Costs of satellite contract to provide a strong, clear FM stereo radio signal for Radio in the American Sector (RIAS) in Berlin	900,000	—	—	—	—	—	—	900,000
i. Non-recurring one-time costs associated with the initiation of a television station in Berlin (RIAS-TV)	-10,812,500	—	—	—	—	—	—	-10,812,500

STATEMENT RELATING APPROPRIATION ESTIMATES TO CURRENT APPROPRIATIONS

(continued)

	Salaries and Expenses	Special Foreign Currency Program	Educational & Cultural Exchange Programs	Radio Construction	Radio Broad-casting to Cuba	East-West Center	National Endowment for Democracy	Total
j. Non-recurring costs associated with one-time Educational and Cultural Exchange Programs (note 6)....................................	$ --	$ --	$-4,330,500	$ --	$ --	$ --	$ --	$-4,330,500
k. Net non-recurring costs for international expositions in Vancouver, Canada ($-3,633,500), Tsukuba, Japan ($-182,850), and other events ($-629,500) partially offset by 1987 needs for the international exposition at Brisbane, Australia ($985,500)..........................	-3,460,350	--	--	--	--	--	--	-3,460,350
l. Non-recurring costs of asbestos removal from East-West Center residence halls...............	--	--	--	--	--	-1,400,000	--	-1,400,000
m. Other net changes (note 7).....................	-4,267,113	--	--	--	451,560	400,000	--	-3,415,553
Total, Salary and cost adjustments.......	11,410,559	--	2,126,598	--	939,000	-462,000	756,000	14,770,157
2. Change in prior-year balances applied (note 8).....	9,146,441	--	14,577,180	--	--	--	--	23,723,621
3. Adjustments to sustain programs affected in 1986 by reductions under the Balanced Budget and Emergency Deficit Control Act (note 9)............	24,553,000	--	6,041,500	4,902,000	460,100	892,250	774,000	37,622,850
Total net adjustments to continue 1986 program in 1987............................	45,110,000	--	22,745,278	4,902,000	1,399,100	430,250	1,530,000	76,116,628
Total adjusted amount to continue 1986 program in 1987............................	608,883,000	--	157,203,778	114,000,000	11,639,000	20,288,000	18,756,000	930,769,778

STATEMENT RELATING APPROPRIATION ESTIMATES TO CURRENT APPROPRIATIONS
(continued)

	Salaries and Expenses	Special Foreign Currency Program	Educational & Cultural Exchange Programs	Radio Construction	Radio Broad-casting to Cuba	East-West Center	National Endowment for Democracy	Total
4. VOA Modernization:								
a. Continue modernization and expansion of VOA relay stations and construction of new facilities..............................	$ --	$ --	$ --	$17,708,000	$ --	$ --	$ --	$17,708,000
5. Program enhancements proposed for 1987:								
a. Expand exchanges with the USSR in support of the President's Cultural Initiative..........	--	--	1,155,000	--	--	--	--	1,155,000
b. Expand programs in support of the Bicentennial of the Constitution............	--	--	2,600,000	--	--	--	--	2,600,000
c. Expand other exchange programs..............	--	--	5,607,222	--	--	--	--	5,607,222
d. Expand programs of the National Endowment for Democracy....................................	--	--	--	--	--	--	1,355,000	1,355,000
Total, 1987 Enhancements............	--	--	9,362,222	--	--	--	1,355,000	10,717,222
Total change from 1986 Appropriations to 1987 Estimate.......................................	45,110,000	--	32,107,500	22,610,000	1,399,100	430,250	2,885,000	104,541,850
Total, 1987 Estimate..............................	608,883,000	--	166,566,000	131,708,000	11,639,000	20,288,000	20,111,000	959,195,000

STATEMENT RELATING APPROPRIATION ESTIMATES TO CURRENT APPROPRIATIONS
(Continued)

Note 1 - The cost of conducting public diplomacy continues to rise, especially overseas. Price rises and recent gains in the value of foreign currencies are reflected, in particular, in rents, utilities, diesel fuel, supplies and materials, and contractual services. The increase of $15,702,527 will help defray some of these additional costs for Agency operations around the world. Explanations of the items identified below are contained in the justification sections of the elements concerned.

	Salaries and Expenses	Educational & Cultural Exchanges	Radio Broadcasting to Cuba	East-West Center	National Endowment for Democracy	Total
a. Full-year costs of 1986 price increases for services, materials, equipment, travel and shipping......	$3,435,855	$2,905,694	$100,000	$242,100	$340,200	$7,023,849
b. Cost increases anticipated to take effect in 1987......................	4,293,574	3,551,404	122,000	295,900	415,800	8,678,678
Total, cost increases for direct Agency operations..............	7,729,429	6,457,098	222,000	538,000	756,000	15,702,527

Note 2 - The increase of $5,350,993 will provide funds to annualize wage scales and other built-in changes authorized at various times during 1986 for the foreign nationals employed at our posts and VOA relay stations abroad. It will also cover foreign national wage increases expected to be authorized in 1987 in various countries to permit the United States to maintain comparability with prevailing wage scales paid in these areas. Further details on the items identified below are contained in the justification sections of the elements concerned.

	Salaries and Expenses
a. Full-year costs of 1986 foreign national employee wage scale increases..............	$2,043,210
b. Foreign national employee wage scale increases anticipated to take effect in 1987...	3,307,783
Total, wage scale increases for direct Agency operations.........................	5,350,993

STATEMENT RELATING APPROPRIATION ESTIMATES TO CURRENT APPROPRIATIONS
(Continued)

Note 3 - This increase of $4,961,399 is the result of rate increases in Federal Building Fund Rent System charges levied by the General Services Administration. These increases will be applied to the following locations:

Building	Amount of Increase
Health and Human Services - North Building	$3,839,672
Health and Human Services - South Building	392,292
Patrick Henry Building	286,154
Auditors' Building	124,500
All other net increases	318,781
Total, rate increases	4,961,399

Note 4 - An increase of $4,133,169 is requested in 1987 to continue the expansion and modernization of the Voice of America's programs and technical facilities as follows:

a. Full-year costs of positions authorized previously for the modernization and expansion effort, but not filled until 1986	$1,512,957
b. An increase to provide staff (eight overseas American and 16 foreign national positions) and operating costs for newly operational medium-wave transmitting facilities in the Central America/Caribbean region	1,673,217
c. Addition of three domestic, four overseas American, and 16 foreign national positions to manage and coordinate relay station construction projects at Antigua, Israel, Sri Lanka, Morocco, Thailand, Botswana, and Puerto Rico	946,995
Total	4,133,169

STATEMENT RELATING APPROPRIATION ESTIMATES TO CURRENT APPROPRIATIONS
(Continued)

Note 5 - This net increase results from full-year costs of three WORLDNET networks begun in 1986, partially offset by one-time costs of plant and equipment that do not recur in 1987, as follows:

WORLDNET networks:	Amount
Spanish to Latin America	$2,118,448
Portuguese to Brazil	1,580,916
English to East Asia	1,164,062
Non-recurring costs of TVRO's purchased in 1986	-716,000
One-time upgrade of Washington equipment for WORLDNET support	-1,980,000
Net increase	2,167,426

Note 6 - This decrease results from one-time costs of several programs funded under the Educational and Cultural Exchange Programs appropriation that do not recur in 1987. These programs include:

Program	
International Games for the Handicapped held in the United States	$2,500,000
Eisenhower Exchange Fellowship Program (balances carried over from 1985)	830,500
Afghan independent media service project	500,000
Chinese-American Development Student Exchange Program at Tufts University	500,000
Total, non-recurring Educational and Cultural Exchange programs	4,330,500

Note 7 - This net decrease results from all other built-in changes for continuing throughout 1987 the program levels effected by the end of 1986, exclusive of the amounts identified separately above. The major decreases are for one-time 1986 costs of $4,622,276 for replacement of the Agency's central computer mainframe and related conversion of program applications and administrative support for new positions established in 1986 mainly for the Television and Film Service and the Voice of America; an anticipated increase in reimbursements in 1987 related to the use of VOA's transmitting facilities; and a net reduction of renovation, relocation, and refurbishment projects for overseas posts. These decreases are offset, in part, by other net increases totaling $1,203,723, primarily for exhibit activities in Czechoslovakia, purchase of a backup transmitter for the Radio Marti program at Marathon, Florida and within-grade increases and other built-in salary changes for the East-West Center.

STATEMENT RELATING APPROPRIATION ESTIMATES TO CURRENT APPROPRIATIONS
(Continued)

Note 8 - There is an increase of $23,723,621 in the appropriated amount required to continue programs in 1987 as a result of a decrease in prior-year balances available for application to programs in 1987. The balances available in 1986 total $23,723,621, as shown below. In 1987, it is projected that no balances will be available.

	1986 Estimate		
	Salaries and Expenses	Educational and Cultural Exchanges	Total
Unobligated balance brought forward, start of 1986 *...	$9,146,441	$14,577,180	$23,723,621
Unobligated balance carried forward, end of 1986.......	--	--	--
Balances applied to program during 1986................	9,146,441	14,577,180	23,723,621

*For comparative purposes, the amounts shown for the Salaries and Expenses appropriation include amounts related to the former Special Foreign Currency Program appropriation, which was transferred to the regular S&E dollar account in 1986, as follows:

	1986 Estimate	1987 Estimate
Unobligated balance brought forward, start of year:		
Salaries and Expenses (Special International Exhibitions).......	$6,179,617	$--
Special Foreign Currency Program..	2,966,824	--

STATEMENT RELATING APPROPRIATION ESTIMATES TO CURRENT APPROPRIATIONS
(Continued)

Note 9 - This amount is part of the overall 1987 budget level proposed by the Administration to enable USIA to consolidate the rebuilding and enhancement of the Agency's program capabilities accomplished or planned prior to the 1986 reductions required by the Balanced Budget and Emergency Deficit Control Act of 1985. In recognition of this, the 1986 cuts will be accommodated largely through deferrals and one-time reductions.

This document reflects a uniform application of the overall 4.3 per cent reduction to each major program activity. However, the Agency is still assessing the impact of an overall 4.3 per cent reduction in the Salaries and Expenses account, and we expect that the reduction will not be applied evenly to all elements in order to avoid especially disruptive effects on staff, facilities, and certain programs.

GENERAL STATEMENT

The United States Information Agency, the U.S. Government's principal resource in the international arena of ideas, plays a strategic role in America's security. The President has directed the Agency to communicate clearly the truth about the United States, its policies and objectives, and to counter a formidable and increasingly sophisticated global campaign of propaganda and disinformation by the Soviet Union.

At the direction of the President, the Agency has, over the past five years, embarked on a significant rebuilding and modernization program. That program is well under way. For example, USIA is in the midst of a major modernization effort for the Voice of America's transmitting facilities and operational capabilities. In other areas, the Agency has undertaken many new initiatives — perhaps best exemplified by our WORLDNET network — to bring this Agency to the cutting edge of modern communications as we approach the twenty-first century. Educational and cultural exchanges have increased substantially, including the initiation of a promising new undergraduate program for disadvantaged Central American students. Our overseas operation, staffed by a superb corps of dedicated employees, has been revitalized.

1987 Request

Our 1987 budget request totals $959,195,000 and 9,633 positions, an increase of $104,541,850 and 40 positions over our reduced 1986 appropriation augmented by a proposed supplemental to cover two important public diplomacy initiatives. This 1987 amount has been proposed by the Administration to enable USIA to consolidate the rebuilding and enhancement of its program capabilities accomplished over the past several years or made possible by the regular FY 1986 Appropriations Act (P.L. 99-180), prior to the 1986 reductions required by the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177). In recognition of this, the 1986 cuts, totaling $37.6 million, are being accommodated largely through deferrals and one-time reductions.

Of the requested increase, $93.8 million — or 90 percent — will be devoted to maintaining ongoing activities. This amount is requested to continue the ongoing VOA modernization effort, to cover price increases and other built in requirements and to sustain activities affected by the 1986 reductions under P.L. 99-177. Less than nine percent is requested for enhancements in Agency programs ($9.3 million for exchanges). In addition, an enhancement of $1.4 million is requested for the National Endowment for Democracy. Thus, this is essentially a current services budget. However, it does represent an increase over 1986 levels, and it is significant that this increase comes in a year when the Administration is seeking to reduce the deficit and make strong moves toward a balanced budget. This budget clearly signals the importance this Administration places on increasing its investment in a sound, strong public diplomacy effort. USIA is America's face on the world, and this year the world presents us with opportunities and challenges which must be addressed now. The Soviets are competing with us — very successfully — in radio, in exchanges, in television and other media exposure, in the competition for ideas. In this climate, we cannot retract, but rather we must remain competitive.

The 1986 supplemental request of $17,326,000 and the 1987 requested increase of $104,541,850 are discussed below.

GENERAL STATEMENT
(Continued)

Proposed Supplemental for 1986

Two program initiatives are considered so significant by this Administration that we are seeking supplemental funding of $17,326,000 in 1986 to accomplish them as follows:

Support for the U.S./USSR Cultural Accords, $5,326,000. On November 21, 1985, the U. S. and the USSR signed a general exchanges agreement in Geneva. This signing was the culmination of a one-and-a-half-year process which began in June 1984 with a Presidential announcement. More recently, in his address to the Nation prior to meeting with General Secretary Gorbachev, President Reagan said "enduring peace requires openness, honest communications and opportunities for our peoples to get to know one another directly."

The proposed 1986 supplemental appropriation of $5,326,000 is requested to initiate the following activities called for by the agreement:

Exhibits, $3,961,513: Reciprocal U. S. and Soviet traveling thematic exhibits on aspects of each country's life and society, to travel throughout the other country accompanied by language qualified guides, will be reinstituted. Current planning calls for the development, production, and operation of one exhibit, "Communication and Information in the USA", to travel to nine cities over a three year span. The 1986 funding request will provide for research, design development, film production, exhibit fabrication, and administrative support.

Performing Groups, $1,068,487: These funds will be used to reinstitute the programming of performing artists in the Soviet Union. The 1986 funding request will provide support for tours by individual performers and performing groups.

Opening a Press and Cultural Office in Kiev, $296,000: The 1986 funding request will provide for the opening of a Press and Cultural Office in Kiev (in conjunction with the establishment of a U. S. consulate there) to help implement these accords. This will correspond to the reopening of a Soviet consulate in New York City.

Establishment of a television capability for Radio in the American Sector, Berlin (TV-RIAS), $12,000,000. This is a one-time opportunity to establish the capability to communicate by television with audiences in both West and East Berlin and the German Democratic Republic, with all the immediacy and impact provided by that medium, especially for viewers from the successor generation. RIAS-TV would also be fed into West German cable systems, vastly increasing the potential audience initially by over two million households. RIAS-TV would follow the RIAS radio analogy in funding and organization: the U.S. will provide capital investment for plant and equipment, and pay transmission costs on a continuing basis (transmission must be the responsibility of the USG in order to maintain the "American" status of the station). All other operating costs, estimated as $20 to $24 million annually, will be funded by the West German Government.

GENERAL STATEMENT
(Continued)

Built-in 1987 Increases To Maintain Activities and Consolidate Recent Gains

The Agency's FY 1987 request includes an increase of $93,824,628 to cover cost increases and other built-in increases to maintain ongoing activities and consolidate recent gains in Agency capabilities. These needs are:

Price increases, $15,702,527.

The cost of conducting public diplomacy continues to rise, especially overseas. Price rises and recent gains in the value of foreign currencies are reflected, in particular, in rents, utilities, diesel fuel, supplies and materials, and contractual services. The increase of $15,702,527 will help defray some of these additional costs for Agency operations around the world.

Non-recurring one-time costs associated with the initiation of a a television station in Berlin (RIAS-TV), $-10,812,500.

The Agency has pending a 1986 supplemental request for $12,000,000 to establish a television capability for RIAS in Berlin, described above. The net decrease of $10,812,500 results from non-recurring costs of $12,000,000 for capital costs in 1986 to establish the station, partially offset by 1987 transmission costs of $1,187,150. The West German Government will pay staff and programming costs of over $20 million on an annual basis.

Foreign national wage increases, $5,350,993.

This increase will allow us to annualize wage increases authorized at various times during 1986 and anticipated to be authorized in 1987 for the foreign nationals employed at our posts abroad and VOA relay stations and correspondent bureaus abroad.

Increase in Federal Building Fund Rent System charges levied by the General Services Administration, $4,961,399.

This increase is the result of a rate increase in Federal Building Fund Rent System charges for domestic office and specialized space levied by the General Services Administration.

Full-year costs of continuing the Voice of America's staff and program modernization, $4,133,169.

This increase is requested to continue the modernization and expansion of the Voice of America's programs and technical facilities, consisting of full-year costs of positions authorized previously but not filled until 1986 ($1,512,957); staff (eight overseas American and 16 foreign national positions) and operating costs for newly operational medium-wave transmitting facilities in the Central America/Caribbean region ($1,673,217); and the addition of three domestic, four overseas American, and 16 foreign national positions to manage and coordinate relay station construction projects at Antigua, Israel, Sri Lanka, Morocco, Thailand, Botswana, and Puerto Rico ($946,995).

GENERAL STATEMENT
(Continued)

Non-recurring costs associated with 1986 Educational and Cultural Exchange Programs, $-4,330,500.

These programs, which are funded for 1986 only, include the International Games for the Handicapped held in the United States ($2,500,000); unobligated balances carried into 1986 for the Eisenhower Exchange Fellowship Program ($830,500); the Afghan independent media service project ($500,000); and the Chinese-American Development Student Exchange Program at Tufts University ($500,000).

Net full-year costs of continuing WORLDNET networks begun in 1986 and one-time equipment and other costs, $2,167,426.

This net increase results from full-year costs of three WORLDNET networks begun in 1986, as follows: Spanish to Latin America ($2,118,448); Portuguese to Brazil ($1,580,916); and English to East Asia ($1,164,062). These increases are partially offset by one-time costs of plant and equipment that do not recur in 1987, including non-recurring costs of TVRO's purchased in 1986 ($-716,000) and one-time upgrading of Washington equipment for WORLDNET support ($-1,980,000).

Full-year requirements for implementing the U.S./USSR cultural accords, $3,471,218.

This increase of $3,471,218 represents the full-year costs of the proposed supplemental appropriation to implement the cultural accords with the Soviets. It will provide $113,893 to annualize the new Press and Cultural Office in Kiev; $2,757,674 to complete production of the new exhibit, "Communication and Information Revolution in the USA", and to begin field operations; and $599,651 for additional performing arts presentations.

Net non-recurring costs of International Exhibitions, $-3,460,350.

This decrease consists of net non-recurring costs for international expositions in Vancouver, Canada ($-3,633,500), Tsukuba, Japan ($-182,850) and other events ($-629,500), partially offset by 1987 needs of the international exposition at Brisbane, Australia ($985,500).

Conversion of foreign national employees, $1,502,328.

Section 136 of USIA's authorizing legislation for 1986 and 1987 (P.L. 99-93) contains language that reads:

> "To the maximum extent practicable, citizens of the Soviet Union shall not be employed as foreign national employees at United States diplomatic missions in the Soviet Union after September 30, 1986."

This increase will cover the costs of complying with this language.

GENERAL STATEMENT
(Continued)

FM stereo signal in Berlin (RIAS), $900,000.

This will cover the 1987 transmission costs of providing, via a European communications satellite (TV-SAT), a strong, clear FM stereo radio signal to the German Democratic Republic and other areas located within the TV-SAT "footprint".

Non-recurring costs of East-West Center asbestos removal, $-1,400,000.

The Department of State and Related Agencies Appropriations Act for 1986 provided $1,400,000 for removal of asbestos from East-West Center Residence Halls. This is a one-time requirement, and these funds will not be required in 1987.

Other net increases and non-recurring costs, $-3,415,553.

This net decrease results from all other built-in changes for continuing throughout 1987 the program levels effected by the end of 1986, exclusive of the amounts identified separately above. The major decreases are for one-time 1986 costs of $4,622,276 for replacement of the Agency's central computer mainframe and related conversion of program applications and administrative support for new positions established in 1986 mainly for the Television and Film Service and the Voice of America; an anticipated increase in reimbursements in 1987 related to the use of VOA's transmitting facilities; and a net reduction of renovation, relocation, and refurbishment projects for overseas posts. These decreases are offset, in part, by other net increases totaling $1,206,723, primarily for exhibit activities in Czechoslovakia, purchase of a backup transmitter for the Radio Marti program at Marathon, Florida, and within-grade increases and other built-in salary changes for the East West Center.

Decrease in Balances Available for Application to 1987 Program, $23,723,621

There is an increase of $23,723,621 in the appropriated amount required to continue programs in 1987 as a result of a decrease in prior-year balances available for application to programs in 1987. The balances available in 1986 total $23,723,621, as follows: Salaries and Expenses, $9,146,441, and Educational and Cultural Exchange Programs, $14,577,180. No balances will be available for application to programs in 1987.

Continue modernization and expansion of VOA relay stations, and construction of new facilities, $17,708,000.

During FY 1983, with strong Congressional support, USIA began a multi-year effort to modernize and expand the Voice of America's transmission facilities, to replace antiquated and obsolete facilities, and to upgrade the capabilities of its global network. In 1987, a net increase of $17,708,000 is requested to continue that effort.

Specifically, this increase will provide funds for construction of shortwave relay stations in Tangier, Sri Lanka, Thailand, Botswana, Israel, the Far East, Germany, and Puerto Rico; medium wave stations in Central America and the Caribbean; security enhancements at overseas relay stations; and refurbishment of our existing facilities in Greece. The effort will continue into the 1990's.

GENERAL STATEMENT
(Continued)

Adjustments to sustain programs affected by reductions in 1986 under the Balanced Budget and Emergency Deficit Control Act of 1985, $37,622,850.

This amount is part of the overall 1987 budget level proposed by the Administration to enable USIA to consolidate the rebuilding and enhancement of the Agency's program capabilities accomplished over the past several years or made possible by the regular FY 1986 Appropriations Act (P.L. 99-180), prior to the 1986 reductions required by the Balanced Budget and Emergency Deficit Control Act of 1985. In recognition of this, the 1986 cuts are being accommodated largely through deferrals and one-time reductions so that operations can be sustained at pre-reduction levels, in 1987. Since the Voice of America and the Educational and Cultural Exchange programs comprise such a large part of the Agency's budget, some 55% of this requested funding adjustment is required to avoid serious setbacks to these important programs.

This document reflects a uniform application of the overall 4.3 per cent reduction to each major program activity. However, the Agency is still assessing the impact of an overall 4.3 per cent reduction in the Salaries and Expenses account, and we expect that the reduction will not be applied evenly to all elements in order to avoid especially disruptive effects on staff, facilities, and certain programs.

Program Enhancements in the Agency's Exchange Programs and in the National Endowment for Democracy

In this period of fiscal restraint only a very limited sum is requested for program enhancements:

Enhance Funding of the Academic, International Visitor, and Other Traditional Agency Exchange Programs, $9,362,222.

Exchange-of-persons programs are designed to foster a long-term understanding of the United States and a climate of shared assumptions on issues of importance to the United States and other countries. This increase will provide for additional academic exchanges ($3,225,222), a South African exchange for disadvantaged students ($700,000), additional university-to-university linkages ($800,000), and allow for further expansion of teacher exchanges in the Third World ($500,000). It will also provide for exchanges with the USSR in the Academic, International Visitor, and Private Sector programs under the new Cultural Exchange Agreement ($1,155,000), expansion of the Hubert H. Humphrey Fellowship Program ($382,000), and for the conduct of exchange activities directly supporting the celebration of the Bicentennial of the Constitution ($2,600,000). These increases will accomplish the mandate to double the 1982 exchange program level. Congress rescheduled and reiterated this requirement in the FY 1986 - FY 1987 Authorization Act (P.L. 99-93).

Enhance Programs of the National Endowment for Democracy, $1,355,000.

This increase will provide new program development and enhancements to programs initiated during the Endowment's initial years of operation.

EXPLANATION OF LANGUAGE CHANGES

1. Changes in appropriation requests for fiscal year 1987

The appropriation requests for fiscal year 1987, detailed in other sections of these justifications, compare as shown below with the 1986 appropriations enacted under Public Laws 99-180 and 99-190, as adjusted by reductions under P.L. 99-177, and as they would be augmented by the proposed 1986 supplemental appropriation. Amounts are in thousands.

Appropriations	1986 Appropriations	1987 Request	Increase or Decrease (-)
Salaries and Expenses:			
Enacted Appropriation and 1987 Request.......	$571,000	$608,883	$ 37,883
Proposed Supplemental.........................	17,326	--	-17,326
Subtotal..................................	588,326	608,883	20,557
Reduction Pursuant to P.L. 99-177............	-24,553	--	24,553
Total.....................................	563,773	608,883	45,110
Educational and Cultural Exchange Programs:			
Enacted Appropriation and 1987 Request.......	140,500	166,566	26,066
Reduction Pursuant to P.L. 99-177............	-6,042	--	6,042
Total.....................................	134,458	166,566	32,108
Radio Construction:			
Enacted Appropriation and 1987 Request.......	114,000	131,708	17,708
Reduction Pursuant to P.L. 99-177............	-4,902	--	4,902
Total.....................................	109,098	131,708	22,610
Radio Broadcasting to Cuba:			
Enacted Appropriation and 1987 Request.......	10,700	11,639	939
Reduction Pursuant to P.L. 99-177............	-460	--	460
Total.....................................	10,240	11,639	1,399
East-West Center:			
Enacted Appropriation and 1987 Request.......	20,750	20,288	-462
Reduction Pursuant to P.L. 99-177............	-892	--	892
Total.....................................	19,858	20,288	430

EXPLANATION OF LANGUAGE CHANGES
(Continued)

National Endowment for Democracy:			
Enacted Appropriation and 1987 Request	$ 18,000	$ 20,111	$ 2,111
Reduction Pursuant to P.L. 99-177	-774	—	774
Total	17,226	20,111	2,885
Grand Totals:			
Enacted Appropriations and 1987 Request	874,950	959,195	84,245
Supplemental Request	17,326	—	-17,326
Reduction Pursuant to P.L. 99-177	-37,623	—	37,623
Anticipated Appropriation and 1987 Request	854,653	959,195	104,542

2. Change in amount to be authorized for 1987

Section 201 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (P.L. 99-93) authorizes $887,900,000 for U.S. Information Agency appropriations in 1987. This amount, which is the same level that was authorized for 1986, is not sufficient to provide for the Agency's 1987 appropriation needs of $959,195,000. While the Agency's 1987 program level is essentially the same as that provided by the 1986 appropriation (P.L. 99-180), fund increases are requested to cover inflation and other built-in requirements in 1987. The Agency will seek a net increase of $71,295,000 in the authorization amount for 1987 to bring it to a total of $959,195,000.

P.L. 99-93 contains a number of earmarks, usually calling for "not less than" a given fund level for selected activities. The Agency's 1987 request meets most of the earmarks. However, budget stringencies make it necessary for USIA to seek to adjust downward two of the earmarks: Radio Broadcasting to Cuba (Section 203), from $11,700,000 to $11,639,000, a decrease of $61,000; and the Worldwide Book Program Initiative (Section 205), from $7,500,000 to $5,200,000, a decrease of $2,300,000.

EXPLANATION OF LANGUAGE CHANGES
(Continued)

Salaries and Expenses

For expenses, not otherwise provided for, necessary to enable the United States Information Agency, as authorized by Reorganization Plan No. 2 of 1977, the Mutual Educational and Cultural Exchange Act *of 1961*, as amended (22 U.S.C. 2451 et seq.), and the United States Information and Educational Exchange Act *of 1948*, as amended (22 U.S.C. 1431 et seq.), to carry out international communication, educational and cultural activities, including employment, without regard to civil service and classification laws, of persons on a temporary basis (not to exceed $270,000, of which $250,000 is to facilitate United States participation in international expositions abroad); expenses authorized by the Foreign Service Act of 1980 (22 U.S.C. 3901 et seq.), living quarters as authorized by 5 U.S.C. 5912, and allowances as authorized by 5 U.S.C. 5921-5928 *and 22 U.S.C. 287e-1*; and entertainment, including official receptions, within the United States, not to exceed $20,000; [$571,000,000] *$608,883,000*, none of which shall be restricted from use for the purposes appropriated herein: *Provided*, That not to exceed [$800,000] *$1,000,000* may be used for representation abroad: *Provided further*, That not to exceed [$5,704,000] *$18,529,000* of the amounts allocated by the United States Information Agency to carry out section 102(a)(3) of the Mutual Educational and Cultural Exchange Act, as amended (22 U.S.C. 2452(a)(3)), shall remain available until expended: *Provided further*, That receipts not to exceed [$500,000] *$600,000* may be credited to this appropriation from fees or other payments received from or in connection with English-teaching programs as authorized by section 810 of [Public Law 80-402] *the United States Information and Educational Exchange Act of 1948*, as amended. *(The Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriation Act, 1986; additional authorizing legislation to be proposed for $60,927,000.)*

Proposed Changes:

3. Citation of dates in the titles of USIA's enabling legislation.

These changes are proposed to add the year of original enactment to the title of the Mutual Educational and Cultural Exchange Act of 1961, and to the United States Information and Educational Exchange Act of 1948, and thus to conform more closely with standard language citation practices.

4. Reference to 22 U.S.C. 287e-1

22 U.S.C. 287e-1 provides for the payment of allowances to not more than five USIA employees required to live in the extraordinarily high-rent area immediately surrounding the United Nations headquarters in New York City to compensate them for the portion of the higher cost of rent and utilities that they must pay. It is appropriate that this citation be included here.

EXPLANATION OF LANGUAGE CHANGES
(Continued)

5. Change in amount to be available until expended

As reflected in the Appendix to the President's budget, a total of $18,529,000 of the 1987 Salaries and Expenses appropriation is requested to be designated as the amount to remain available until expended. The direct project costs for international fairs and exhibitions are funded under this authority. This includes funding for exhibitions and performing arts showings in the Soviet Union and Eastern Europe in support of the President's cultural accords signed in Geneva in November, 1985; United States participation in the exhibition celebrating the Australian bicentennial scheduled for Brisbane; and other international exhibitions, trade fairs, and centerpiece exhibits.

6. Change in limitation amount for representation

The 1986 and 1987 allowances for representational activities are displayed below:

	1986 Estimate	1987 Estimate	Difference
Representational activities of USIS posts overseas............	$768,000	$941,000	$173,000
Cultural Presentations - Arts America Program.................	12,000	12,000	—
Special International Exhibitions:			
International Expositions..................................	10,000	5,000	-5,000
Exhibits in support of the President's cultural accords with the USSR..	—	20,000	20,000
Other special international exhibitions....................	10,000	10,000	—
Performing arts activities in support of the President's cultural accords...	—	12,000	12,000
Total, Representational Allowance..........................	800,000	1,000,000	200,000

These funds are contained in the World-Wide Mission Costs and the Program Coordination, Production, and Support sections of the Salaries and Expenses justifications.

Representation for USIS Posts Overseas: A total of $941,000 is requested for the representation allowance for USIS posts overseas in 1987, an increase of $173,000 over the amount available during the current year. This increase is requested to provide $33,000 to cover inflationary cost increases and $140,000 to increase the frequency of and to enhance the size and quality of representational functions that cannot be accomplished within current funding levels. The increases approved in 1985 and 1986 covered inflationary increases during those years and significantly lowered the amount of personal funds that officers have had to use for representation events due to an inadequate representation allowance. However, most of our overseas posts have reported that the lack of sufficient representation funds continues to limit the number, size, and quality of representational functions, resulting in many missed opportunities and impeding the effectiveness of their contacts with key target audiences. Specifically, the posts reported that larger sums are needed:

-- to increase the frequency of small dinners and receptions to facilitate and solidify contacts by USIS post officers with key government officials, academicians, media specialists, and other opinion leaders of the host countries, particularly when a new officer is assigned to a post;

-- to exploit more of the opportunities created by WORLDNET programming and by the presence of outstanding American participants in the AmParts Program for contact with their high-ranking, well-established, and often influential local counterparts;

-- to hold receptions and dinners for departing and returning Fulbright scholars, international visitors, and other academic grantees and to maintain closer ties among the former grantees and between them and U. S. Government officials;

-- to hold receptions for orchestras, dance groups, and other American performing artists and fine art exhibits; and

-- to hold receptions for participants of important conferences, such as the East-West Relations Conference held in Italy.

Representation expenses cover costs incurred by USIA officers overseas in establishing and maintaining relationships with officials, journalists, academics, and other influential leaders in their host country. Reimbursements for this type of expense are made on the basis of a detailed voucher submitted by the officer after a representional event has occurred.

Support for Other Activities: A sum of $59,000 is requested for representational events in 1987 related to U.S. participation in international expositions, the Arts America program, the exhibits and performing arts activities associated with the President's cultural initiatives with the USSR, and other international exhibitions. This amount will provide a net increase of $27,000 to support the exhibits and performing arts programs under the cultural accords with the USSR ($32,000), partially offset by non-recurring costs related primarily to the Vancouver Exposition ($5,000).

7. Change in amounts of receipts that may be credited to the Salaries and Expenses appropriation from English-teaching fees

The English-teaching program has enjoyed a great deal of success in FY 1985 and FY 1986, and we now estimate that total receipts will exceed the current $500,000 limitation in FY 1987. Thus $600,000 has been requested, but there are indications that a greater sum could be effectively applied.

EXPLANATION OF LANGUAGE CHANGES
(Continued)

8. Change citation of authority from Public Law 80-402 to the United States Information and Educational Exchange Act of 1948

This change is proposed to conform more closely with standard appropriation language practices.

Educational and Cultural Exchange Programs

For expenses of Fulbright, International Visitor, Humphrey Fellowship and Congress-Bundestag Exchange Programs, as authorized by Reorganization Plan No. 2 of 1977 and the Mutual Educational and Cultural Exchange Act *of 1948*, as amended (22 U.S.C. 2451 et seq.), [$128,106,000] *$156,257,000*. For the Private Sector Exchange Programs [$9,894,000] *$10,309,000, of which* $1,500,000, to remain available until expended, is for the Eisenhower Exchange Fellowship Program. *(The Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1986; additional authorizing legislation to be proposed for $7,430,000.)*

9. Citation of date in the title of the Mutual Educational and Cultural Exchange Act of 1948

This change is proposed to conform more closely with standard appropriation language practices.

[Acquisition and Construction of Radio Facilities] *Radio Construction*

For an additional amount for the purchase, rent, construction, and improvement of facilities for radio transmission and reception and purchase and installation of necessary equipment for radio transmission and reception, [$114,000,000] *$131,708,000*, to remain available until [expended.] *expended: Provided, That such amounts as may be necessary shall be available until expended for contingent termination or cancellation costs. (The Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriation Act, 1986.)*

10. Change name of this appropriation account from Acquisition and Construction of Radio Facilities to Radio Construction

This change would simplify references to the account by using its more common name.

EXPLANATION OF LANGUAGE CHANGES
(Continued)

11. Provide for contingent contract termination or cancellation costs

This, or similar authority is required by the Antideficiency Act (31 USC 1341(a)(1)) to cover any contingent termination liabilities that might arise in the course of the VOA modernization effort. One of the major projects in the modernization program is a transmitting facility to be built by the Federal Republic of Germany (FRG). The contract for this facility contains a contingency clause, reflecting FRG law, that would make the USG liable for a graduated schedule of cancellation charges should we terminate the contract prematurely. While we believe such an action is highly unlikely, the Antideficiency Act requires that authority to cover these contingent costs be provided. This language would provide that indefinite obligation authority, but no outlays would be incurred unless the contract were actually cancelled.

[CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST] *EAST WEST CENTER*

To enable the Director of the United States Information Agency to provide for carrying out the provisions of the Center for Cultural and Technical Interchange Between East and West Act of 1960, by grant to any appropriate recipient in the State of Hawaii, [$20,750,000] *$20,288,000: Provided,* That none of the funds appropriated herein shall be used to pay any salary, or to enter into any contract providing *for* the payment thereof, in excess of the highest rate authorized in the General Schedule of the Classification Act of 1949, as amended. *(The Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriation Act, 1986; additional authorizing legislation to be proposed for $1,288,000.)*

12. Change name of this appropriation account from Center for Cultural and Technical Interchange Between East and West to East-West Center

This change would simplify references to the account by using its more common name.

13. Clarify provision relating to limitation on payments of salaries

This change is proposed to conform more closely with standard appropriation language practices.

EXPLANATION OF SPECIAL BUDGET ITEMS

1. Effects of the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177)

The overall 1987 Federal budget proposed by the Administration meets the deficit reduction target set by the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177). The budget contains funding levels for USIA to enable the Agency to consolidate the rebuilding and enhancement of the Agency's program capabilities accomplished over the past several years or made possible by the regular 1986 Appropriations Act (P.L. 99-180) prior to the 1986 reductions required by P.L. 199-177. In recognition of this, the 1986 cuts are being accommodated largely through deferrals and one-time reductions. The overall increase requested in 1987 includes an adjustment of $37,622,850 to sustain programs affected in 1986 by these reductions. Since the Voice of America and the educational and cultural exchange programs comprise such a large part of the Agency's budget, some 55% of this requested funding adjustment is required to avoid serious setbacks to these important programs.

This document reflects a uniform application of the overall 4.3 per cent reduction to each major program activity in 1986. However, the Agency is still assessing the impact of an overall 4.3 per cent reduction in the Salaries and Expenses account, and we expect that the reduction will not be applied evenly to all elements in order to avoid especially disruptive effects on staff, facilities, and certain programs. The Agency will submit a reprogramming report to the Committees detailing our proposed adjusted application of the cut.

2. Within-grade Salary Advancements

The estimates for 1987 provide increases to cover the cost of within-grade advancements (WIG's) for the Agency's domestic, overseas American, and foreign national employees. The amounts are summarized under Tab 2 and presented in detail in the various sections of this document. The estimates for such costs, which include salary and related costs as appropriate, are based on WIG experience factors for each group of employees: Foreign Service, Civil Service, and foreign national. The estimates for foreign national employees are determined independently for each country.

3. Personal Services Lapse Rates

Lapse rates (allowances for vacancies and turnover) used in developing estimates for personnel compensation and benefits for the fiscal years concerned in this budget are as follows:

a. For 1985: The lapse rate reflects experience for 1985, based on actual employment for each element or account.

b. For continuing American positions at overseas missions, the gross lapse rate in 1986 and 1987 averages 3.8 per cent.

EXPLANATION OF SPECIAL BUDGET ITEMS

c. For continuing domestic positions, the gross lapse rate averages 7.8 per cent in 1986 and 7.0 per cent in 1987. The higher lapse rate in 1986 resulted from delays in filling new positions authorized for the modernization and expansion of the Voice of America prior to 1986. These positions will be filled during 1986 and will reduce the overall lapse rate in 1987.

d. For other positions in 1986 and 1987: the lapse rates for 1986 are based on a projection of personnel on duty as of October 1, 1985, a scheduling of vacant and new positions to be filled, and an analysis of positions to be eliminated. The determination of rates used in 1986 and 1987 are as follows:

(1) For continuing foreign national positions, the lapse rate has been determined independently for each country and is based on information supplied by the overseas mission concerned.

(2) For positions added in 1986 and 1987, the lapse rate has been determined independently by each element.

4. Effects of Special Foreign Currency on Agency Estimates

The "Salaries and Expenses (Special Foreign Currency Program)" appropriation, together with the balances available from prior years, was formerly used for payment of local program expenses in U. S.-owned foreign currencies in those countries where the Treasury Department determined that the supply of such currencies was excess to the normal requirements of the U. S. Government. In 1985, these "excess currency" countries were Burma, Guinea, India, Pakistan, and Poland. However, the designation of India (which accounted for approximately one-half of the Agency's program costs formerly funded in this account) as an "excess currency" country was terminated by the Department of the Treasury at the end of 1985. Since the reduced foreign currency requirements for 1986 and future years that resulted from this change were not sufficient to warrant the administrative costs associated with the maintenance of a separate foreign currency appropriation, it was merged with the regular Salaries and Expenses (S&E) dollar and Educational and Cultural Exchange Programs (for academic, international visitor, and other traditional exchange programs) in 1986.

The remaining balances available from prior-year appropriations, totaling $2,966,824, are being utilized in 1986 to fund part of the regular overseas missions, Voice of America, and other program activities in Burma, Guinea, Pakistan, and Poland. Requirements for these programs in excess of the available prior-year balances are funded in the 1986 regular S&E dollar account. Although these latter payments will be charged to the S&E dollar account, the expenditures will be made from the local currencies owned by the U. S. Government.

For purposes of comparability, the detailed information on obligations funded from the Special Foreign Currency account in fiscal years 1985 and 1986 is shown in the justifications for the S&E dollar account.

EXPLANATION OF SPECIAL BUDGET ITEMS

5. Projection of Overseas Wage and Cost Increases

The Agency's 1987 request for "Salaries and Expenses" and "Educational and Cultural Exchange Programs" include funds for projected overseas wage scale adjustments ("Salaries and Expenses" only) and other cost increases for fuel, leases, utilities, materials, travel, shipping, and other contractual services. These increases are summarized under the overall "Lead-Off Tabular Statement" in Section 2 of this document. In making these projections we have applied data furnished by the Department of State which are based on the Department's analyses of wage and cost trends in each area of the world, with particular emphasis on the major countries in each area.

6. Program Initiatives Proposed for Supplemental Funding

The Agency plans two major program initiatives in 1986 that require supplemental funding totalling $17,326,000, as follows:

Support for the U.S./USSR Cultural Accords, $5,326,000. On November 21, 1985, the U. S. and the USSR signed a general exchanges agreement in Geneva. This signing was the culmination of a one-and-a-half-year process which began in June 1984 with a Presidential announcement. More recently, in his address to the Nation prior to meeting with General Secretary Gorbachev, President Reagan said "enduring peace requires openness, honest communications and opportunities for our peoples to get to know one another directly."

The proposed 1986 supplemental appropriation of $5,326,000 is requested to initiate the following exchange activities called for by the agreement as follows:

Exhibits, $3,961,513: Reciprocal U. S. and Soviet traveling thematic exhibits on aspects of each country's life and society, to travel throughout the other country accompanied by language qualified guides, will be reinstituted. Current planning calls for the development, production, and operation of one exhibit, "Communication and Information in the USA", to travel to nine cities over a three year span. The 1986 funding request will provide for research, design development, film production, and exhibit fabrication.

Performing Groups, $1,068,487: These funds will be used to reinstitute the programming of performing artists in the Soviet Union. The 1986 funding request will provide support for individual artists and performing groups.

Opening a Press and Cultural Office in Kiev, $296,000: The 1986 funding request will provide for the opening of a Press and Cultural Office in Kiev (in conjunction with the establishment of a U. S. consulate there) to help implement these accords. This will correspond to the reopening of a Soviet consulate in New York City.

EXPLANATION OF SPECIAL BUDGET ITEMS

Establishment of a television capability for Radio in the American Sector, Berlin (TV-RIAS), $12,000,000. This will enable us to communicate by television with audiences in both West and East Berlin and the German Democratic Republic, with all the immediacy and impact provided by that medium, especially for viewers from the successor generation. RIAS-TV would also be fed into West German cable systems, vastly increasing the potential audience initially by over two million households. RIAS-TV would follow the RIAS radio analogy in funding and organization: the U.S. will provide capital investment for plant and equipment, and pay transmission costs on a continuing basis (transmission must be the responsibility of the USG in order to maintain the "American" status of the station). All staff, program and other operating costs, estimated at over $20 million annually, will be funded by the West German Government.

7. Transfer in the Estimates between the 1986 and 1987 Congressional Budgets

	Adjustments to the 1986 Congressional Budget			
	1985 Estimate		1986 Estimate	
	Positions	Amount	Positions	Amount
Transfer the Media Reaction Staff within the Program Coordination, Production, and Support section of the budget as follows:				
Office of Research	-7	$ -374,749	-7	$-361,963
Office of Associate Director and Other Staffs	7	374,749	7	361,963
Transfer the responsibility for the French editions of *Topic* Magazine from the Bureau of Programs to the Africa Program:				
Program Coordination, Production and Support	-3	-89,710	-3	86,911
Africa Program	3	89,710	3	86,911
Transfer the Private Sector Sports Program function from the Bureau of Educational and Cultural Affairs to the Bureau of Programs Coordination, Production, and Support:				

EXPLANATION OF SPECIAL BUDGET ITEMS

Educational and Cultural Affairs..................	-1	$ -57,725	-1	$ -55,672
Program Coordination, Production and Support.......	1	57,725	1	55,672
Transfer the Private Sector Committee Unit within the Agency Direction and Management section of the budget as follows:				
Office of Public Liaison..........................	-3	-140,707	-3	-136,747
Office of the Director............................	3	140,707	3	136,747
Transfer the Access to Information and Declassification Staff within the Agency Direction and Management section of the budget as follows:				
Office of Administration and Technology............	-3	-116,442	-3	-112,359
Office of the General Counsel and Congressional Liaison............................	3	116,442	3	112,359
Transfer the Small and Disadvantaged Business Utilization and Competition Advocacy function within the Agency Direction and Management section of the budget as follows:				
Office of Contracts................................	-1	-33,944	-1	-46,611
Office of Associate Director and Other Staffs......	1	-33,944	1	-46,611

8. Variation from President's Budget Documents

Delays in final determinations affecting the Agency's 1987 budget made it impossible to reflect, in some of the entries in the 1985, 1986 and 1987 columns of the President's budget documents, all the correct component amounts as now contained in the pages of this document. While every effort was made to show the correct data in the Budget documents, the deadline for printing the documents inevitably prevented some changes from being recorded. In addition, the distribution of budget data among activities in the President's Budget is prepared on a basis that differs from the arrangement used in this document.

UNITED STATES INFORMATION AGENCY

FISCAL YEAR 1987 CONGRESSIONAL ESTIMATES

SALARIES AND EXPENSES

Activity — Tab Number

General Justification Statement 2

Summary Tables 3

Overseas Missions Operations Summary 4

East Asia and Pacific Program 5

African Program 6

North Africa, Near East, and South Asia Program 7

American Republics Program 8

West European Program 9

Soviet Union and East European Program 10

World-Wide Mission Costs 11

Voice of America 12

Television and Film Service 13

Educational and Cultural Affairs 14

Program Coordination, Production, and Support 15

Agency Direction and Management 16

Administrative Support from Other Agencies 17

UNITED STATES INFORMATION AGENCY

General Statement

Salaries and Expenses Appropriation, 1987

The 1987 budget request for the Salaries and Expenses account -- from which Agency operations are largely financed -- totals $608,883,000, an increase of $45,110,000 over our reduced 1986 appropriation augmented by a proposed supplemental to cover two significant public diplomacy initiatives. The 1987 amount has been proposed by the Administration to enable USIA to consolidate the rebuilding and enhancement of its program capabilities accomplished over the past several years or made possible by the regular 1986 Appropriations Act (P.L. 99-180) prior to the 1986 reductions required by the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177). In recognition of this, the 1986 cuts are being accommodated largely through deferrals and one-time reductions.

The entire increase will be devoted to maintaining ongoing activities. It is requested to cover price increases and other built-in requirements and to sustain activities affected by the 1986 reductions under P.L. 99-177. Thus, it is essentially a current services budget. However, it does represent an increase over the amount appropriated in 1986, and it is significant that this increase comes in a year when the Administration is seeking to reduce the deficit and make strong moves toward a balanced budget. This budget clearly signals the importance this Administration places on increasing its investment in a sound, strong public diplomacy effort.

The built-in operating requirements of $45,110,000 and the proposed 1986 supplemental are described under the Lead-Off Tabular Statement, Tab 2, and the General Statement, Tab 3, respectively, of this presentation.

SALARIES AND EXPENSES

Summary of Direct Obligations by Activity

	1985 Actual	Revised 1986 Estimate *		1987 Estimate	Revised Increase or Decrease (-)
		Enacted	Anticipated		
Overseas Missions					
East Asia and Pacific	$ 30,055,886	$ 31,323,430	$ 30,113,430	$ 32,443,700	$ 2,330,270
Africa	23,671,662	24,376,528	23,359,528	25,134,400	1,774,872
North Africa, Near East, and South Asia	30,274,990	31,014,663	29,847,663	32,027,300	2,179,637
American Republics	27,735,054	28,544,580	27,670,580	29,729,400	2,058,820
West Europe	36,657,125	41,807,450	40,623,150	42,981,200	2,358,050
Soviet Union and East Europe	12,240,149	25,474,609	25,088,909	16,939,500	-8,149,409
World-Wide Mission Costs	22,852,666	25,960,006	25,224,006	26,1[illegible]7,000	952,994
Total, Overseas Missions	183,497,532	208,501,266	201,927,266	205,442,500	3,515,234
Voice of America	154,124,421	175,604,152	166,546,152	181,058,400	14,412,248
Television and Film Service	22,051,155	27,947,392	25,508,392	30,363,800	4,855,408
Educational and Cultural Affairs	33,071,875	37,231,638	34,830,638	37,762,600	2,931,962
Program Coordination, Production and Support	45,677,306	51,224,243	48,960,243	52,729,900	3,769,657
Agency Direction and Management	52,577,337	53,377,606	51,569,606	51,133,900	-135,706
Administrative Support from Other Agencies	39,718,167	43,585,144	43,477,144	50,091,900	6,614,756
Total, Direct Funds (Comparative Basis)	530,717,793	597,472,441	572,919,441	608,883,000	35,963,559
Add Unobligated Balance Lapsing	2,335,927	--	--	--	--
Deduct Recoveries of Prior-Year Obligations	-2,281,832	--	--	--	--
Deduct Dollar Balances Carried In	-5,408,953	-6,179,617	-6,179,617	--	6,179,517
Deduct Foreign Currency Balances Carried In	-3,208,780	-2,956,824	-2,966,824	--	2,966,824
Add Dollar Balances Carried Out	6,179,617	--	--	--	--
Add Foreign Currency Balances Carried Out	2,966,824	--	--	--	--
Total Appropriations (Comparative Basis)	531,300,596	588,326,000	563,773,000	608,883,000	45,110,000
Reconciliation to Appropriations as Enacted:					
Add Comparative Transfer for the National Endowment for Democracy	18,500,000	--	--	XXX	XXX
Add Comparative Transfer from Special Foreign Currency Program to Educational and Cultural Exchange Programs	1,176,404	--	--	XXX	XXX
Deduct Proposed Supplemental	--	-17,326,000	-17,326,000	XXX	XXX
Appropriations as Enacted, 1985 and 1986:					
Salaries and Expenses	542,977,000	571,000,000	546,447,000	XXX	XXX
Special Foreign Currency Program	8,000,000	--	--	XXX	XXX
Total	550,977,000	571,000,000	546,447,000	XXX	XXX

* Contains supplemental request of $17,326,000.

Analysis of Positions by Organizational Element - Fiscal Years 1985, 1986, and 1987

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
OVERSEAS MISSIONS				
East Asia and Pacific				
Domestic	22	22	22	--
Overseas American	105	108	108	--
Foreign National	572	573	573	--
Total, East Asia and Pacific	699	703	703	--
Africa				
Domestic	25	25	25	--
Overseas American	100	103	103	--
Foreign National	362	373	373	--
Total, Africa	487	501	501	--
North Africa, Near East, and South Asia				
Domestic	22	22	22	--
Overseas American	124	125	125	--
Foreign National	714	714	714	--
Total, North Africa, Near East, and South Asia	860	861	861	--
American Republics				
Domestic	21	21	21	--
Overseas American	133	134	134	--
Foreign National	584	587	587	--
Total, American Republics	738	742	742	--

Analysis of Positions by Organizational Element - Fiscal Years 1985, 1986, and 1987

OVERSEAS MISSIONS - cont.	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
West Europe				
Domestic	16	16	16	--
Overseas American	159	160	160	--
Foreign National	611	615	615	--
Total, West Europe	786	791	791	--
Soviet Union and East Europe				
Domestic	14	15	15	--
Overseas American	65	69	69	--
Foreign National	170	171	171	--
Total, Soviet Union and East Europe	249	255	255	--
World-Wide Complement				
Overseas American	215	253	246	-7
Total, Overseas Missions				
Domestic	120	121	121	--
Overseas American	901	952	945	-7
Foreign National	3,013	3,033	3,033	--
Total, Overseas Missions	4,034	4,106	4,099	-7
VOICE OF AMERICA				
Domestic	2,095	2,124	2,127	3
Overseas American	130	142	154	12
Foreign National	683	707	739	32
Total, Voice of America	2,908	2,973	3,020	47

Analysis of Positions by Organizational Element - Fiscal Years 1985, 1986, and 1987

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
EDUCATIONAL AND CULTURAL AFFAIRS				
Domestic	366	371	371	--
Overseas American	24	26	26	--
Foreign National	11	13	13	--
Total, Educational and Cultural Affairs	401	410	410	--
PROGRAM COORDINATION, PRODUCTION, AND SUPPORT				
Domestic	537	556	556	--
Overseas American	12	11	11	--
Foreign National	189	189	189	--
Total, Program Coordination, Production and Support.	738	756	756	--
TELEVISION AND FILM SERVICE				
Domestic	247	319	319	--
AGENCY DIRECTION AND MANAGEMENT				
Office of the Director	49	49	49	--
Office of Public Liaison	19	19	19	--
Office of the General Counsel and Congressional Liaison	47	47	47	--
Office of Inspector General	43	43	43	--
U.S. Advisory Commission on Public Diplomacy	5	5	5	--
Bureau of Management				
Domestic	667	670	670	--
Overseas American	8	8	8	--
Foreign National	1	1	1	--
Total, Bureau of Management	676	679	679	--

Analysis of Positions by Organizational Element - Fiscal Years 1985, 1986, and 1987

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Total, Agency Direction and Management				
Domestic	830	833	833	--
Overseas American	8	8	8	--
Foreign National	1	1	1	--
Total, Agency Direction and Management	839	842	842	--
TOTAL, SALARIES AND EXPENSES APPROPRIATION				
Domestic	4,195	4,324	4,327	3
Overseas American	1,075	1,139	1,144	5
Foreign National	3,897	3,943	3,975	32
Total, Salaries and Expenses Appropriation	9,167	9,406	9,446	40
RADIO BROADCASTING TO CUBA				
Domestic	187	187	187	--
COMBINED GRAND TOTAL:				
Domestic	4,382	4,511	4,514	3
Overseas American	1,075	1,139	1,144	5
Foreign National	3,897	3,943	3,975	32
Grand Total	9,354	9,593	9,633	40

UNITED STATES INFORMATION AGENCY

SALARIES AND EXPENSES

Summary of Personnel Compensation and Other Objects of Expense - Fiscal Years 1985, 1986, and 1987

	1985 Actual		1986 Estimate		1987 Estimate		Increase or Decrease (-)	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
10 Personnel Compensation and Benefits								
11 Personnel Compensation								
Full-time Permanent:								
Departmental	4,195.0	$146,981,274	4,324.0	$150,768,985	4,327.0	$151,031,859	3.0	$ 262,874
Overseas American	1,075.0	48,171,672	1,139.0	52,188,274	1,144.0	52,289,944	5.0	101,670
Foreign National	3,897.0	40,657,131	3,943.0	49,370,008	3,975.0	54,957,166	32.0	5,587,158
Sub-total, Full-time Permanent	9,167.0	235,810,077	9,406.0	252,327,267	9,446.0	258,278,969	40.0	5,951,702
Pay above stated annual rate ...	--	513,736	--	528,584	--	552,492	--	23,908
Deduct net lapse	-930.8	-22,419,201	-664.1	-18,787,939	-561.9	-15,152,382	119.7	3,635,557
Positions abolished during the year	7.4	229,628	--	--	--	--	--	--
Deduct net savings due to lower pay scales for part of year ...	--	-1,047,802	--	--	--	--	--	--
Sub-total, Net Permanent	8,243.6	213,086,438	8,741.9	234,067,912	8,884.1	243,679,079	159.7	9,611,167
Positions of Other Agencies Filled by USIA Personnel	18.4	1,018,291	22.0	1,189,949	22.0	1,192,030	--	2,081
Special Personal Services Payments								
USIA positions filled by personnel from other agencies	26.7	1,472,018	25.4	1,384,488	25.4	1,384,488	--	--
Payments to OPM for re-employed annuitants	--	52,815	--	54,167	--	54,167	--	--
Positions Other than Permanent:								
Temporary employment	143.0	2,473,568	155.9	2,765,502	162.9	2,917,383	7.0	151,881
Part-time employment	84.1	1,608,662	92.4	1,853,865	93.1	1,900,147	.7	46,282
Intermittent employment	7.4	320,736	10.0	419,387	10.0	419,387	--	--

Salaries and Expenses - Summary of Personnel Compensation and Other Objects of Expense - Fiscal Years 1984, 1985, and 1986

	1985 Actual		1986 Estimate		1987 Estimate		Increase or Decrease (-)	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Other Personnel Compensation:								
Overtime (includes holiday pay for foreign nationals)	--	$ 5,350,995	--	$ 5,551,754	--	$ 5,737,600	--	$ 185,846
Holiday pay	--	1,206,168	--	1,319,290	--	1,319,790	--	500
Night work and Sunday differential	--	2,144,897	--	2,282,371	--	2,321,891	--	39,520
Hardship post differential	--	2,512,264	--	3,221,401	--	3,323,484	--	102,083
Danger pay	--	49,963	--	49,700	--	49,700	--	--
Incentive pay for hard to fill positions	--	--	--	--	--	--	--	--
Language incentive pay	--	365,828	--	383,353	--	383,353		--
Differential for domestic employees assigned overseas	--	27,752	--	42,531	--	42,531	--	--
Special differentials in lieu of premium compensation	--	2,500	--	3,415	--	3,415	--	--
Premium pay for standby duty ..	--	2,500	--	3,415	--	3,415	--	--
Special allowances for FSOs ...	--	23,503	--	24,403	--	24,403	--	--
Employee suggestion/cash performance awards	--	503,600	--	577,482	--	583,369	--	5,887
SFS Performance Awards	--	419,070	--	491,000	--	491,000	--	--
Total, Personnel Compensation (11)	8,523.2	232,641,568	9,047.6	255,685,385	9,197.5	265,830,632	167.4	10,145,247
12 Personnel Benefits								
Foreign Service Allowances:								
Quarters	--	773,339	--	779,501	--	821,112	--	41,611
Temporary Lodging	--	420,914	--	319,625	--	339,001	--	19,376
Living (post)	--	412,772	--	605,063	--	643,166	--	38,103
Separate Maintenance	--	199,636	--	132,787	--	135,510	--	2,723
Transfer	--	121,988	--	106,488	--	113,138	--	6,650
Education	--	2,141,142	--	2,291,159	--	2,608,323	--	317,164
Supplementary post (and evacuation)	--	45,136	--	28,827	--	27,252	--	-1,575
Home service transfers	--	94,906	--	94,900	--	94,900	--	--
Child care services	--	12,438	--	15,000	--	15,000	--	--
NYC Housing Allowance	--	86,000	--	86,000	--	86,000	--	--
Relocation Expenses	--	50,100	--	139,265	--	139,265	--	--
Sub-total, Allowances	--	4,358,371	--	4,598,615	--	5,022,667	--	424,052

Salaries and Expenses - Summary of Personnel Compensation and Other Objects of Expense - Fiscal Years 1985, 1986, and 1987

	1985 Actual		1986 Estimate		1987 Estimate		Increase or Decrease (-)	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Payments to Funds:								
FICA	--	$ 2,256,077	--	$ 2,985,970	--	$ 3,228,211	--	$ 242,241
FEGLIC	--	447,544	--	509,749	--	519,248	--	9,499
Civil Service and Foreign Service Retirement	--	14,393,399	--	15,547,906	--	15,968,796	--	420,890
Health benefits	--	4,587,064	--	4,862,217	--	4,959,499	--	97,282
Sub-total, Payments to Funds.	--	21,684,084	--	23,905,842	--	24,675,754	--	769,912
Additional Pay for Service in Hawaii	--	87,678	--	97,901	--	97,901	--	--
Benefits for USIA Personnel Detailed to Other Agencies	--	146,100	--	182,749	--	183,167	--	418
Special Foreign National Benefits	--	3,114,085	--	4,331,940	--	4,714,889	--	382,949
Workmen's Compensation Fund	--	227,077	--	567,428	--	675,164	--	107,736
Total, Personnel Benefits (12)	--	29,617,395	--	33,684,475	--	35,369,542	--	1,685,067
13 Benefits for Former Personnel:								
Severance Pay	--	1,798,395	--	1,103,461	--	1,137,942	--	34,481
Unemployment Compensation	--	83,824	--	97,648	--	97,648	--	--
Subtotal, Benefits for Former Personnel	--	1,882,219	--	1,201,109	--	1,235,590	--	34,481
Total, Personnel Compensation and Benefits (Gross)	8,523.2	264,141,182	9,047.6	290,570,969	9,197.5	302,435,764	149.9	11,864,795
Less Reimbursements, Primarily for Details to Other Agencies	-18.4	-1,164,391	-22.0	-1,376,458	-22.0	-1,378,957	--	-2,499
Total, Personnel Compensation and Benefits (Net)	8,504.8	262,976,791	9,025.6	289,194,511	9,175.5	301,056,807	149.9	11,862,296

Salaries and Expenses - Summary of Personnel Compensation and Other Objects of Expense - Fiscal Years 1985, 1986, and 1987

	1985 Actual		1986 Estimate		1987 Estimate		Increase or Decrease (-)	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
21.0 Travel and transportation of persons	--	$ 16,400,645	--	$ 18,700,000	--	$ 20,304,400	--	$ 1,604,400
22.0 Transportation of things	--	13,983,030	--	15,687,787	--	16,436,479	--	748,692
Rent, communications, and utilities:								
23.1 Standard level user charges.	--	15,300,206	--	17,023,779	--	22,039,502	--	5,015,723
23.2 Other rent	--	20,028,141	--	19,754,676	--	22,358,699	--	2,604,023
23.3 Communications, utilities, and misc. charges	--	32,126,042	--	35,972,319	--	34,067,886	--	-1,904,433
24.0 Printing and reproduction	--	2,161,655	--	3,086,469	--	3,284,887	--	198,418
25.0 Other services	--	51,459,044	--	68,228,448	--	67,238,764	--	-989,684
25.1 Services of other agencies	--	26,654,170	--	29,264,855	--	30,361,436	--	1,096,581
25.2 Representation/Entertainment in the U.S.	--	685,729	--	820,000	--	1,020,000	--	200,000
26.0 Supplies and materials	--	36,717,121	--	38,336,874	--	39,639,186	--	1,302,312
31.0 Equipment	--	29,399,246	--	22,668,102	--	20,721,413	--	-1,946,689
41.0 Grants, subsidies and contributions	--	22,708,895	--	38,638,444	--	30,257,364	--	-8,381,080
42.0 Insurance claims and indemnities	--	117,078	--	96,177	--	96,177	--	--
Total, Other Objects	--	267,741,002	--	308,277,930	--	307,826,193	--	-451,737
Total, Direct Obligations (Comparative Basis)	8,504.8	530,717,793	9,025.6	597,472,441	9,175.5	608,883,000	149.9	11,410,559
Add Unobligated Balance Lapsing	--	2,335,927	--	--	--	--	--	--
Deduct Recoveries of Prior-Year Obligations	--	-2,281,832	--	--	--	--	--	--
Deduct Dollar Balances Carried In	--	-5,408,953	--	-6,179,617	--	--	--	6,179,617
Deduct Foreign Currency Balances Carried In	--	-3,208,780	--	-2,966,824	--	--	--	2,966,824
Add Dollar Balances Carried Out	--	6,179,617	--	--	--	--	--	--
Add Foreign Currency Balances Carried Out	--	2,966,824	--	--	--	--	--	--
Pro-rata Reduction, P.L. 99-177	--	--	--	-24,553,000	--	--	--	24,553,000
Total Appropriation (Comparative Basis)	8,504.8	531,300,596	9,025.6	563,773,000	9,175.5	608,883,000	149.9	45,110,000

Salaries and Expenses - Summary of Personnel Compensation and Other Objects of Expense - Fiscal Years 1985, 1986, and 1987

	1985 Actual		1986 Estimate		1987 Estimate		Increase or Decrease (-)	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Reconciliation to 1985 and 1986 Appropriations As Enacted:								
Add Comparative Transfer to the National Endowment for Democracy Appropriation	--	$ 18,500,000	--	$ --	XXX	XXX	XXX	XXX
Add Comparative Transfer from the Special Foreign Currency Program Appropriation to the Educational & Cultural Exchanges Appropriation .	--	1,176,404	--	--	XXX	XXX	XXX	XXX
Deduct Proposed Supplemental..........	--	--	-11.0	-17,326,000	XXX	XXX	XXX	XXX
1985 and 1986 Appropriations as Enacted:								
Salaries and Expenses	8,114.8	542,977,000	8,871.6	546,447,000	XXX	XXX	XXX	XXX
Special Foreign Currency Program	390.0	8,000,000	143.0	--	XXX	XXX	XXX	XXX
Total	8,504.8	550,977,000	9,014.6	546,447,000	XXX	XXX	XXX	XXX

OVERSEAS MISSIONS OPERATIONS SUMMARY

Directors for Geographic Areas

The Directors for Geographic Areas are responsible for the formulation, content, direction and effectiveness of the overseas mission programs in the countries of their assigned areas. The Directors for Geographic Areas communicate Agency policies and priorities to the field, provide overall guidance to the posts, evaluate field performance and represent the field posts in domestic Agency matters. These responsibilities are carried out with the guidance of the Bureau for Programs and the Counselor of the Agency. The Counselor of the Agency assists the Director in the overall direction of the Agency especially with regard to policy formulation, coordination, and oversight of the activities of the Area Directors.

The Area Directors and their deputies spend a considerable portion of their time in the field performing their duties. They are the prime Washington source of expertise for their areas on policy issues and on the public opinion factors in policy formulation and execution. They provide continuing contact with the Department of State and other government agencies on area matters.

Organization and Operation of Missions

The Agency's overseas missions operate as an integral part of the United States Diplomatic Mission in each country. Each country operation is headed by a Public Affairs Officer who reports within the Agency to the appropriate Director for the area. In the field, the Public Affairs Officer serves as a member of the United States team coordinated by the Chief of the Diplomatic Mission. Each Country Public Affairs Officer is assisted by a staff of American and foreign national employees. The staff varies in size with the scope of the country program undertaken by the Agency. Operations are conducted in some countries at consulates and at outposts in consular districts as well as at the principal post.

While much of the operational activity is carried out by foreign national employees, the Public Affairs Officers supervise this activity and, together with their American staffs, maintain the important contacts. The American staffs plan, direct and supervise program projects. Matters involving classified information are handled by American personnel. Reporting and appraisal of progress are also the responsibilities of the American staff.

Description of Principal Activities of Overseas Missions

The principal program activities involved in overseas mission operations vary from country to country, depending upon such considerations as United States objectives, local communications habits, audience groups to be reached, etc. The most common aspects and cost components of mission activities are described below. The program activities that make up each geographic area section that follows this summary section are arranged in this order:

OVERSEAS MISSIONS OPERATIONS SUMMARY

Radio activities: the production and adaptation of radio news and feature programs, including VOA package programs and music transcription libraries for placement on local radio stations; the promotion of VOA programs broadcast to the area; the operations of Radio in the America Sector (RIAS) in Berlin; and the purchase of radio supplies, equipment, and maintenance services.

Press and publications activities: the production and distribution of periodicals, consisting of magazines, newspaper supplements, wall newspapers, newsletters and bulletins, including the preparation of local inserts for the distribution of publications supplied by the Press and Publications Service (P/P) from Washington and the Regional Service Centers in Manila and Mexico City; the placement in local publications of articles and features produced locally, and news and feature materials supplied from Washington by the Press and Publications Service, including materials from the Wireless File; production and distribution to select groups or to particular audiences of pamphlets, leaflets, posters and photo displays; and purchase of paper, supplies, equipment and related materials required to support these activities.

Television and film activities: the local production of television programs, documentary films, newsreels, and special coverage targeted to indigenous audiences; adaptation for local use of program materials produced or acquired by the Television and Film Service in Washington; the facilitation of production and promotion of Worldnet and other programs transmitted by satellite by the Television and Film Service; the maintenance of film libraries; the distribution and exhibition of films and videotape recordings through local theatrical and TV outlets, through loans to private organizations and government channels, and by direct projection and closed-circuit showings by members of the overseas mission staff; purchase and shipment of projectors and parts, screens, videotape equipment, rawstock, maintenance supplies, and other audio-visual materials; and beginning in 1986, RIAS television in Berlin.

American centers and related activities: the rental, operation, maintenance, and support of American centers, reading rooms, distribution outlets, and library extension services including purchase of publications and equipment for mission libraries; translation, publication and distribution abroad of books which further Agency objectives; production and display of small-scale exhibits supplied by the Exhibits Service (P/E) from Washington and of exhibits constructed locally; purchase and presentation of books and magazines to carefully selected government officials, educators, opinion leaders, schools, and other groups and institutions; and English-teaching activities, including seminars and programs designed to encourage the use of American-oriented teaching aids and contractual arrangements for English-teaching programs. Other related activities include conducting and supporting programs that promote all aspects of American life and culture through seminars, conferences, lectures, concerts and art exhibitions, including the overseas administration of the Exchange of Persons Program, encouragement of and assistance to foreign universities in establishing courses in American studies, and promotion of projects conducted under the Cultural Presentations Program and Special International Exhibitions Program.

OVERSEAS MISSIONS OPERATIONS SUMMARY

Binational center expenses: grants of cash and material procured locally or in the U.S. to Binational Centers to provide assistance for center operations, to conduct English-teaching seminars, and to conduct special projects in support of Agency programs. In addition, capital assistance grants are made to selected centers to assist them in acquiring adequate space for their activities. The Agency recognizes two categories of centers. Class "A" centers have an Agency-assigned American officer as Center Director and may receive other continuing support from the Agency for program operations and capital improvements. All other centers, designated as Class "B" centers, receive USIS staff, fianancial or material assistance only on a project-by-project basis when they serve as the best means to accomplish a given USIS objective.

Program direction: travel by the Area Directors and their staffs; workshops and conference travel; travel within each country by the Public Affairs Officers and their staffs to supervise and direct post activities; the procurement of reference books, magazines, and newspapers for staff use; and travel and other expenses for local research activities to assist in tailoring local programs and to assess the effectiveness of mission operations.

Other Program Expenses: residential and non-residential space costs, cleaning and custodial services, vehicle purchase and operations, purchase of furniture, supplies and equipment, communication costs, and related expenses to support post programs.

Number of Countries and Posts

	1985		1986		1987	
	Countries	Posts	Countries	Posts	Countries	Posts
East Asia and Pacific	14	34	14	36	14	36
Africa	35	43	35	44	35	44
North Africa, Near East, and South Asia	23	38	23	38	23	38
American Republics	26	36	26	37	26	37
West Europe	23	45	23	45	23	45
Soviet Union and East Europe	8	16	8	17	8	17
Total	129	212	129	217	129	217

EAST ASIA AND PACIFIC PROGRAM

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Summary of Requirements	$30,055,886	$29,982,787	$32,443,700	$2,460,913

General Statement

I. SUMMARY

The Agency plans to continue informational and cultural programs in the 14 countries in the East Asia and Pacific area where it maintains a permanent presence, in addition to 10 countries of the Pacific Islands region which are served by a new office in Hawaii devoted to this increasingly important area. In 1986, activities at 36 posts will be supported by a domestic staff of 22. The overseas staff will consist of 108 American and 573 foreign national employees. The net increase of $2,460,913 is requested to cover wage and price increases and other built-in changes required to consolidate and continue programs at levels established under the 1986 Appropriations Act (P.L. 99-180).

II. 1985 AND 1986 PROGRAMS

Persistent economic and trade problems are priority issues for Agency programming throughout East Asia, as are concerns affecting our vital security and political interests. Our posts must continue to support U.S. policies on these issues, making clear the reasons for our bilateral positions as well as the underlying philosophical, political and strategic considerations which dictate them.

American relations with Japan are the highest priority, given that country's status as the second largest economic power in the free world and its pivotal position as a U.S. ally. Under the leadership of Prime Minister Nakasone in particular, the Japanese have been responding to U.S. efforts to get them to open their markets and to assume greater responsibility for their own defense. Much remains to be done, however, especially in the face of the huge U.S. trade deficit, continued domestic opposition to a larger defense role for Japan, and economic pressures that have made it difficult for Japanese leaders to allow greater American and foreign penetration of their marketplace. USIS Japan must continue to call upon high-level American officials in order to focus public attention on the issues and have an impact on the complex and evolving public dialogue on the trade issue as well as the overall relationship.

China is embarking on a major program of national economic and social reform. For the first time in history, China is officially open to the U.S. and actively seeking our technical and educational assistance in its modernization drive. This historic opportunity in our relations with the world's most populous nation requires innovative and adaptive responses to specific Chinese needs. Nowhere in our relations with China is USIA's role more crucial than in education. Educational exchanges, already at their highest levels ever, should be funded to keep pace with expanded USIA program objectives in the immediate future.

II. 1985 AND 1986 PROGRAMS (continued)

USIA opened a branch post--its fourth in China--in Chengdu in October, 1985. An additional post, in Wuhan, should be opened in 1986 to coincide with the opening of a U.S. consulate there. Wuhan is the major heavy industrial, commercial, educational and political center in central China, equidistant from Beijing and Guangzhou and midway between Shanghai and Chengdu.

Korea is especially important because of both its strategic location with the U.S. military presence, and because of its newly achieved economic power. While the U.S. military presence is generally accepted as necessary, some opposition groups identify it with the perpetuation of an authoritarian government in power. In 1985, overt anti-American feeling surfaced in Korea for the first time with a series of attacks upon USIS centers and American business offices. However, trade problems which have inevitably arisen as a consequence of the rapid maturation of the Korean economy have become the major bilateral issue in the last twelve months. Increased efforts are necessary, and are being made, to convince Koreans that their new economic status carries with it new responsibilities and to counter misperceptions about official American economic policy toward Korea. USIA must also continue to defend American security interests in Korea while promoting traditional American values and freedoms.

As our only former colony and a current treaty partner hosting two key U.S. military facilities, the Philippines has had a special relationship with the U.S. for many decades. While this relationship has long been mutually beneficial, the Philippines is now experiencing severe domestic tension caused by serious social, economic and political problems, and the U.S. presence is being labeled a major cause of those problems. Opposition forces criticize the USG for allegedly propping up the Marcos regime, while Marcos loyalists criticize the USG for perceived interference in Philippine domestic affairs. In this contentious atmosphere, USIA articulates USG policy supporting revitalization of democratic institutions and practices and encouraging Filipinos to hold free and fair elections to resolve their differences. Our post in Manila and its branch posts in Cebu and Davao work closely with the Ambassador and the Country Team to ensure that Filipino decision-makers of all political persuasions are kept informed of U.S. policy toward their country. A steady flow of USIS information and cultural programs is necessary in this very delicate environment to protect and promote U.S. interests.

The Association of Southeast Asian Nations (ASEAN), which will celebrate its 20th anniversary in 1987, is the cornerstone of U.S. regional policy in Southeast Asia. This six-member body, consisting of Thailand, the Philippines, Indonesia, Malaysia, Singapore and Brunei, is a strong regional entity with interests closely paralleling those of the U.S. in most areas. Although not a defense pact per se, ASEAN staunchly opposes Vietnamese occupation of Cambodia, and the USG consistently supports ASEAN efforts to marshal international public opinion against continued Vietnamese aggression. The USG maintains close defense ties with the Philippines and Thailand through bilateral mutual defense agreements. Indonesia, Malaysia, Singapore and Brunei are moderate non-aligned countries generally sympathetic to Western positions. Trade between ASEAN and the U.S. remains very high, marred only by ASEAN concern about threatened U.S. protectionism, and by U.S. dissatisfaction with lack of protection for U.S. intellectual property in some ASEAN countries. Illicit narcotics production, trafficking and addiction and refugee resettlement continue to be sensitive issues requiring special public diplomacy treatment.

EAST ASIA AND PACIFIC PROGRAM

II. 1985 AND 1986 PROGRAMS (continued)

Continued high interest among Southeast Asian students in attending U.S. universities necessitates USIS student counseling and English teaching programs. USIA needs to continue to address the full range of political-security, economic and social issues linking the U.S. with non-communist Southeast Asia.

Burma, a socialist country which for many years has resolutely followed its own path in domestic and international affairs, is not a member of ASEAN, despite its proximity to its ASEAN neighbors. Recently, however, Burma has manifested tentative interest in increased contacts with foreign countries to spur its development efforts. In this vein, the Burmese Government has become more interested in and receptive to USIA activities, especially educational exchange programs. Our small post in Rangoon is working with Burmese authorities to respond to this interest and encourage this trend.

In the Southwest Pacific, the New Zealand Labour government has introduced legislation to codify its policy banning nuclear-powered and nuclear-armed ships from its ports. Should the legislation pass, it would cripple the ANZUS military alliance, which following initial implementation of the New Zealand government's policy, has already seen almost all bilateral military cooperation suspended. The questions that are raised with New Zealand are central to our relations with all South Pacific countries. Other nations will find it difficult to resist pressures to emulate the New Zealand example. Australia, and smaller Pacific states, including Fiji and Papua New Guinea, are concerned about the implications of the New Zealand policy. Following the direction of the NSC, USIA is leading a government-wide public affairs strategy addressing this issue. A series of Worldnet satellite interactive telecasts beamed to Australia and New Zealand have helped explain U.S. policies. Complementing this strategy was the 1986 opening of a branch post in Christchurch, an important political and intellectual center where the U.S. government's Antarctic research effort, Operation Deep Freeze, is based. Anti-American activities in New Zealand often focus on the presence of Deep Freeze.

Other bilateral issues of importance to South Pacific governments include: arms control; U.S. trade, agricultural and fisheries policies; and the credibility of U.S. international leadership.

The movement for self-determination continues in the region. Congress has approved the Compact of Free Association for the Federated States of Micronesia and the Republic of the Marshall Islands. Constitutional questions have delayed ratification of the compact by the third Micronesian entity slated for free association, the Republic of Palau. Meanwhile, already-independent nations, including Tonga, Tuvalu, Western Samoa, Nauru and the Solomon Islands join the Micronesian states and their more populous neighbors in their concern over security and economic issues. In the first months of its existence, our Pacific Islands Program Office in Honolulu has begun programming addressed to these concerns in those states where USIS is not already represented.

EAST ASIA AND PACIFIC PROGRAM

III. 1987 PLANS

The 1987 estimate for East Asia and Pacific programs totals $32,443,700. This amount is part of the overall 1987 budget level proposed by the Administration to enable USIA to consolidate the rebuilding and enhancement of the Agency's program capabilities accomplished or planned prior to the 1986 reductions required by the Balanced Budget and Emergency Deficit Control Act of 1985. In recognition of this, the 1986 cuts will be accommodated largely through deferrals and one-time reductions.

This document reflects a uniform application of the overall 4.3 percent reduction to each major program activity. However, the Agency is still assessing the impact of an overall 4.3 percent reduction in the Salaries and Expenses account, and we expect that the reduction will not be applied evenly to all elements in order to avoid especially disruptive effects on staff, facilities, and certain programs. An approximate cut of that magnitude in East Asia and Pacific would require the following types of illustrative reductions: reduced travel and cancellation of an area-wide program planning conference; postponement of 1986 program enhancements from mid-year to end-of-year; extension of the equipment replacement cycle to hold down equipment purchases; reduced FSN training programs; and an overall reduction in post programming levels.

The increase of $2,460,913 is requested to consolidate and continue programs at levels established under the 1986 Appropriations Act (P.L. 99-180). The funds will provide for overseas wage-scale and price increases and other built-in changes, including adjustments to sustain programs affected in 1986 by reductions under the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177).

The justifications that follow explain the staff and activities financed with dollars under the Agency's regular "Salaries and Expenses" appropriation. For comparative purposes, the justifications also include the portion of the overseas staff and activity costs for the overseas mission in Burma that were financed with Special Foreign Currency funds in 1985 and 1986. In 1987, the Burma program will be funded under the dollar account since the separate Special Foreign Currency account has been eliminated. The "Program Activity Costs" displayed below consist of local operating costs and program materials and services acquired or produced in direct support of the overseas missions' programs by the Bureaus of the Voice of America, Educational and Cultural Affairs, Programs, and Management and the Television and Film Service in Washington from funds allocated by the posts for this purpose. In addition, the Department of State provides administrative support services to the overseas missions on a reimbursable basis, detailed estimates for which are contained in the Administrative Support from Other Agencies section of this budget.

EAST ASIA AND PACIFIC PROGRAM
Summary of Requirements

	1985 Actual a/	Revised 1986 Estimate a/	Revised 1987 Estimate	Revised Increase or Decrease (-)	Page Ref.
POSITIONS:					
Domestic	22	22	22	--	
Overseas American	105	108	108	--	
Foreign National	572	573	573	--	
Total, Positions	699	703	703	--	5-8
FUNDS:					
A. Domestic Employee Compensation and Benefits	$ 923,476	$ 1,065,153	$ 1,066,697	$ 1,544	5-6
B. Overseas American Employee Compensation & Benefits	6,818,120	7,125,310	7,253,619	128,309	5-6
C. Foreign National Employee Compensation & Benefits	8,529,171	10,589,095	11,427,229	838,134	5-7
D. Program Activity Costs:					
1. Radio	39,868	117,228	122,993	5,765	5-9
2. Press and Publications	1,510,437	1,661,186	1,677,154	15,968	5-9
3. Television and Films	432,432	321,316	324,204	2,888	5-10
4. American Centers and Related Activities	6,947,645	5,389,575	5,471,300	81,725	5-10
5. Binational Center Assistance	75,155	75,398	77,475	2,077	5-11
6. Program Direction	501,276	468,383	481,397	13,014	5-11
7. Other Program Expenses	4,362,973	4,600,786	4,631,632	30,846	5-12
Sub-total, Activity Costs	13,869,786	12,633,872	12,786,155	152,283	
Total, Gross Funds (Comparative Basis)	30,140,553	31,413,430	32,533,700	1,120,270	
E. Deduct Reimbursements	-84,667	-90,000	-90,000	--	
Total, Direct Funds (Comparative Basis)	30,055,886	31,323,430	32,443,700	1,120,270	
F. Reduction Pursuant to P.L. 99-177	XXX	-1,210,000	--	1,210,000	
Revised and Estimated Appropriations (Comparative Basis)	XXX	30,113,430	32,443,700	2,330,270	

a/ For comparative purposes, includes $149,210 and 24 positions in 1985 and $145,692 and 24 positions in 1986 (funded from remaining carryover balances) for programs in Burma that are transferred from the former Special Foreign Currency Program appropriation.

EAST ASIA AND PACIFIC PROGRAM

A. Domestic Employee Compensation and Benefits (1985 Actual, $923,476; 1986 Estimate, $1,065,153; 1987 Estimate, $1,066,697; Increase, $1,544).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Full-time permanent positions	22	22	22	--
Salary and direct benefit costs	$923,476	$1,065,153	$1,066,697	$1,544

The increase of $1,544 is requested to provide $1,222 for within-grade salary increases and $322 for annualization of FICA rate increases.

B. Overseas American Employee Compensation and Benefits (1985 Actual, $6,818,120; 1986 Estimate, $7,125,310; 1987 Estimate, $7,253,619; Increase, $128,309).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Full-time permanent positions	105	108	108	--
1. Salary and direct benefit costs	$5,843,105	$6,102,046	$6,179,660	$ 77,614
2. Hardship post differentials	337,715	401,701	409,112	7,411
3. Foreign Service allowances	577,299	560,837	600,998	40,161
4. Rest and recuperation and family visitation travel .	60,001	60,726	63,849	3,123
Total	6,818,120	7,125,310	7,253,619	128,309

The net increase of $128,309 is requested to provide:

a. $7,313 for within-grade salary increases in 1987;
b. $2,075 for annualization of FICA rate increases;
c. $75,637 for full-year costs of three positions added in 1986 in China ($28,035), Wuhan branch post PAO; Korea ($22,742), Assistant Cultural Affairs officer; and Thailand ($24,860), Assistant Cultural Affairs officer;
d. $45,161 for changes in Foreign Service allowances consisting of $20,000 for the full-year costs of the 1986 opening of a branch post in Wuhan, China, and $25,161 for full-year and new cost increases; and
e. $3,123 for full-year and new cost increases for Rest and Recuperation travel.

These increases are offset, in part, by non-recurring costs of $5,000 for Foreign Service allowances for the three new positions added in 1986 in China ($1,400), Korea ($1,800) and Thailand ($1,800).

C. Foreign National Employee Compensation and Benefits (1985 Actual, $8,529,171; 1986 Estimate, $10,589,095; 1987 Estimate, $11,427,229; Increase, $838,134).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Full-time permanent positions	572	573	573	--
Salary and direct benefit costs	$8,529,171	$10,589,095	$11,427,229	$838,134

The increase of $838,134 is requested to provide:

a. $56,546 for within-grade salary increases in 1987;
b. $742,443 for wage scale increases consisting of $234,042 for the full-year costs of increases effective for part of 1986, primarily in Hong Kong ($21,133), Indonesia ($52,888), Japan ($15,430), Korea ($52,040), Malaysia ($36,033), and Thailand ($20,508) and $508,401 for wage scale increases anticipated in 1987, primarily in China ($34,464), Hong Kong ($43,098), Indonesia ($64,047), Japan ($196,064), and the Philippines ($44,843);
c. $24,996 to cover full-year costs for positions added in 1986 in China ($7,750) and Japan ($17,246); and
d. $14,149 for full-year requirements from 1986 exchange rate changes through 11/30/85.

EAST ASIA AND PACIFIC PROGRAM

Domestic, overseas American and foreign national employee compensation and benefits provide for positions in the East Asia and Pacific Area as follows:

	1985 Actual			1986 Estimate			1987 Estimate		
	American	Foreign National	Total	American	Foreign National	Total	American	Foreign National	Total
Domestic	22	--	22	22	--	22	22	--	22
Country									
Australia	6	26	32	6	26	32	6	26	32
Burma	3	24 a/	27	3	24 a/	27	3	24	27
China	13	-- b/	13	14	-- b/	14	14	-- b/	14
Fiji	1	4	5	1	4	5	1	4	5
Hong Kong	4	38	42	4	38	42	4	38	42
Indonesia	12	60	72	12	60	72	12	60	72
Japan	21	132	153	21	133	154	21	133	154
Korea	11	77	88	12	77	89	12	77	89
Malaysia	4	28	32	4	28	32	4	28	32
New Zealand	3	12	15	3	12	15	3	12	15
Papua New Guinea	1	4	5	1	4	5	1	4	5
Philippines	11	74	85	11	74	85	11	74	85
Singapore	3	24	27	3	24	27	3	24	27
Thailand	12	69	81	13	69	82	13	69	82
Sub-total, Country	105	572	677	108	573	681	108	573	681
Total, Positions	127	572	699	130	573	703	130	573	703

a/ For comparative purposes, includes 24 positions for regular USIS programs in Burma in 1985 and 1986 that are transferred from the former Special Currency Program appropriation.

b/ Special contractual employees.

EAST ASIA AND PACIFIC PROGRAM

D. Program Activity Costs (1985 Actual, $13,869,786; 1986 Estimate, $12,633,872; 1987 Estimate, $12,786,155; Increase, $152,283).

Program activity costs derive from the following: radio, press and publications, television and films, American centers and related activities, binational centers, program direction and other program expenses. The estimates for each of these activities are shown below in detail, and consist of local operating costs and the costs of program materials and services acquired or produced in Washington. (See "Overseas Missions Operations Summary," Section 4 of the S&E budget, for a general description of the nature of these activities.)

1. Radio Activities (1985 Actual, $39,868; 1986 Estimate, $117,228; 1987 Estimate, $122,993; Increase, $5,765).

This program activity consists of the production and adaptation of radio programs, including VOA package programs and music transcription libraries, for placement on local stations; promotion of VOA broadcasts; and the purchase of radio supplies, equipment, and maintenance services.

The 1987 increase of $5,765 will provide for the full-year and new inflationary cost increases for locally procured services, travel, materials and supplies.

2. Press and Publications Activities (1985 Actual, $1,510,437; 1986 Estimate, $1,661,186; 1987 Estimate, $1,677,154; Increase, $15,968).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
a. Periodicals	$ 531,524	$ 597,493	$ 613,159	$15,666
b. Information placement	499,715	563,478	589,149	25,671
c. Pamphlets and leaflets	218,752	240,604	245,261	4,657
d. Materials and equipment	260,446	259,611	229,585	-30,026
Total	1,510,437	1,661,186	1,677,154	15,968

This program activity consists of: (a) production and distribution of periodicals; (b) reception and placement of the Agency's Wireless File and other informational materials (special articles, features, reprints, and photos) with local publications and radio and television stations; (c) production and distribution of pamphlets, leaflets and posters, and photo displays; and (d) purchase of paper, supplies, equipment and related materials required to support these activities.

The net increase of $15,968 requested in 1987 will provide $46,281 for full-year and new inflationary cost increases for the purchase of services, materials, and equipment primarily in Australia, China, Japan and Thailand offset, in part, by net non-recurring costs of $30,313 related to the opening of a branch post in Wuhan, China, in 1986.

EAST ASIA AND PACIFIC PROGRAM

3. Television and Film Activities (1985 Actual, $432,432; 1986 Estimate, $321,316; 1987 Estimate, $324,204; Increase, $2,888).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
a. Production and adaptation	$311,066	$206,458	$210,978	$4,520
b. Distribution and promotion	46,953	35,649	37,245	1,596
c. Audio-visual equipment and maintenance	74,413	79,209	75,981	-3,228
Total	432,432	321,316	324,204	2,888

This program activity consists of: (a) acquisition, production, and adaptation of television and film programs for placement by the posts, including language versions and release prints; (b) distribution, exhibition, promotion, travel and other costs incurred in reaching selected audiences; and (c) purchase and shipment of projectors and parts, screens, videotape equipment, rawstock, maintenance supplies, and other audio-visual materials.

The requested net increase of $2,888 will provide $6,888 for full-year and new inflationary cost increases primarily in Indonesia, China and the Philippines, offset, in part, by non-recurring costs of $4,000 for opening a new branch post in Wuhan, China in 1986.

4. American Centers and Related Activities (1985 Actual, $6,947,645; 1986 Estimate, $5,389,575; 1987 Estimate, $5,471,300; Increase, $81,725).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
a. American center operations	$5,448,838	$3,929,763	$3,968,854	$39,091
b. Book programs	163,468	141,754	135,180	-6,574
c. Exhibits	96,424	107,186	110,321	3,135
d. Presentations	85,651	78,149	79,149	1,000
e. English teaching promotion	63,865	55,607	56,371	764
f. Lectures, seminars and other programs	1,089,399	1,077,116	1,121,425	44,309
Total	6,947,645	5,389,575	5,471,300	81,725

This program activity consists of: (a) operating, support and space costs for 20 American centers and 4 reading rooms; (b) book publication, translation and distribution costs; (c) production and display of small-scale exhibits; (d) purchase and presentation of books and magazines to carefully selected government officials, educators, opinion leaders, schools, and other groups and institutions; (e) English-teaching activities, including seminars and programs designed to encourage the use of American-oriented teaching aids and contractual arrangements for English-teaching programs; and (f) other cultural and communication programs, including Agency-sponsored lectures, seminars, concerts, workshops, and similar functions; promotion of events under the special Cultural Presentations Program; and local support of the Exchange-of-Persons Programs and similar privately-sponsored programs. These activities are designed to promote wide appreciation of America's cultural, political, economic and scientific achievements.

The net increase of $81,725 is due to the following increases:

a. $152,429 for full-year and new inflationary costs of travel, transportation, supplies, rents and contractual services for Australia ($17,520), Hong Kong ($12,545), Japan ($36,724), Korea ($22,837), the Philippines ($19,965), Thailand ($14,364), and eight other countries ($28,474);
b. $17,613 for full-year costs of the 1986 opening of a branch post in Wuhan, China;
c. $2,000 for the full-year program costs for the two Assistant Cultural Affairs officers added in 1986 in Korea ($1,000), and Thailand ($1,000);
d. $52,683 for a center lease in Canberra, Australia; and
e. $148,000 for center relocations in the Philippines in Cebu ($74,000) and Davao ($74,000).

These increases are offset, in part, by the following decreases:

a. $11,000 for one-time costs associated with the 1986 opening of a branch post in Wuhan, China;
b. $100,000 for the completion costs in 1986 of the Osaka American center relocation project ($50,000) and the Jakarta library relocation project ($50,000); and
c. $180,000 for the 1986 renovation of the Kwangju, Korea American center.

5. Binational Center Assistance (1985 Actual, $75,155; 1986 Estimate, $75,398; 1987 Estimate, $77,475; Increase, $2,077).

These funds provide for Agency assistance to binational center organizations in Thailand and Indonesia, including operating expenses of the centers and special activities undertaken by the center in support of Agency programs.

The increase of $2,077 will provide for full-year and new inflationary cost increases for locally procured services, travel, materials and supplies.

6. Program Direction (1985 Actual, $501,276; 1986 Estimate, $468,383; 1987 Estimate, $481,397; Increase, $13,014).

These funds provide for travel by the Area Director and his staff; workshops and conference travel; travel within each country by the Public Affairs Officers and their staffs to supervise and direct post activities; the procurement of reference books, magazines and newspapers for staff use; and travel and other expenses for local research activities.

EAST ASIA AND PACIFIC PROGRAM

The net increase of $13,014 will provide $20,514 for full-year and new inflationary cost increases in international air fares and overseas local travel costs offset, in part, by net non-recurring costs of the 1986 opening of a branch post in Wuhan, China, $7,500.

7. Other Program Expenses (1985 Actual, $4,362,973; 1986 Estimate, $4,600,786; 1987 Estimate, $4,631,632; Increase, $30,846).

These funds provide for residential and non-residential space costs in 14 countries, cleaning and custodial services, vehicle purchase and operations, purchase of furniture, supplies and equipment, communication costs, and related expenses to support post programs.

The net increase of $30,846 is due to the following increases:

a. $171,793 for increased costs of rents, utilities, janitorial services and other administrative expenses due to full-year and new inflationary increases in China ($32,026), Hong Kong ($11,437), Indonesia ($12,150), Japan ($21,670), the Philippines ($19,136), Thailand ($25,125) and eight other countries ($50,249);
b. $10,000 for full-year costs of the 1986 opening of a branch post in Wuhan, China;
c. $37,555 for advance rental payments in Australia ($5,855) and Indonesia ($31,700);
d. $100,000 for office relocation and renovation projects in China: Chengdu ($50,000) and Wuhan ($50,000);
e. $95,000 for office renovation in Rangoon;
f. $2,513 for full-year residential space costs for the Assistant Cultural Affairs officer added in 1986 in Thailand; and
g. $7,155 for full-year requirements for 1986 exchange rate changes through 11/30/85.

These increases are offset, in part, by the following decreases:

a. $90,000 for one-time costs associated with the two Assistant Cultural Affairs officers added in 1986 in Korea ($55,000) and Thailand ($35,000);
b. $39,800 for non-recurring costs of opening a branch post in Wuhan, China in 1986;
c. $119,000 for the 1986 office renovation project in Guangzhou, China;
d. $132,000 for a multi-year residential lease paid in Indonesia in 1986; and
e. $12,370 for one-time 1986 residential lease repairs in Burma ($8,000), Korea ($2,870) and the Philippines ($1,500).

EAST ASIA AND PACIFIC PROGRAM

Recapitulation of Costs by Country and Area-Wide Costs

	1985 Actual a/	Revised 1986 Estimate a/	Revised 1987 Estimate	Revised Increase or Decrease (-)
POSITIONS:				
Domestic	22	22	22	--
Overseas American	105	108	108	--
Foreign National	572	573	573	--
Total, Positions	699	703	703	--
COSTS BUDGETED BY COUNTRY:				
Australia	$ 1,447,026	$ 1,262,257	$ 1,420,768	$ 158,511
Burma	359,952	319,976	431,746	111,770
China	1,626,564	1,637,038	1,840,771	203,733
Fiji	170,245	159,286	172,554	13,268
Hong Kong	1,146,855	1,195,024	1,301,984	106,960
Indonesia	2,327,698	1,488,304	1,502,298	13,994
Japan	7,924,411	8,905,016	9,617,380	712,364
Korea	2,605,055	2,109,930	2,258,558	148,628
Malaysia	697,089	756,085	818,815	62,730
New Zealand	430,454	460,879	511,952	51,073
Papua New Guinea	135,794	138,184	148,480	10,296
Philippines	1,372,869	1,387,578	1,641,349	253,771
Singapore	592,930	703,061	754,659	51,598
Thailand	1,916,909	1,878,753	2,049,458	170,705
Sub-total, Country Costs	22,753,851	22,401,371	24,470,772	2,069,401

EAST ASIA AND PACIFIC PROGRAM

Recapitulation of Costs by Country and Area-Wide Costs (continued)

AREA-WIDE COSTS:	1985 Actual a/	Revised 1986 Estimate a/	Revised 1987 Estimate	Revised Increase or Decrease (-)
Domestic Costs	$ 1,168,424	$ 1,321,191	$ 1,383,194	$ 62,003
Pacific Islands Regional Program Office	37,458	81,775	90,962	9,187
American Employee Compensation and Benefits b/	6,180,820	6,399,093	6,588,772	189,679
Sub-total, Area-wide Costs	7,386,702	7,802,059	8,062,928	260,869
Total, Gross Funds (Comparative Basis)	30,140,553	30,203,430	32,533,700	2,330,270
Deduct Reimbursements	-84,667	-90,000	-90,000	--
Total, Direct Funds (Comparative Basis)	30,055,886	30,113,430	32,443,700	2,330,270

a/ For comparative purposes, includes $149,210 and 24 positions in 1985 and $145,692 and 24 positions in 1986 (funded from carryover balances) for programs in Burma that are transferred from the former Special Foreign Currency Program appropriation.

b/ Excludes Foreign Service allowances and rest and recuperation travel which are paid at post and included in country costs.

AFRICAN PROGRAM

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Summary of Requirements..................................	$23,671,662	$23,336,331	$25,134,400	$1,798,069

General Statement

I. SUMMARY

In 1987 the Agency will conduct information and cultural programs in 35 African countries with 9 branch posts. Operations will include 40 cultural centers and two reading rooms and will be staffed by 103 Americans and 373 foreign national employees. These operations will be directed and supported by a Washington-based staff of 25 employees. The net increase of $1,798,069 requested in 1987 will provide for wage and price increases and other built-in changes required to consolidate and continue programs at levels established under the 1986 Appropriations Act (P.L. 99-180).

II. 1985 AND 1986 PROGRAMS

Agency activities have underscored official U.S. positions on increasing private sector trade and investment, continued economic assistance to African development, the nature of Soviet expansionism and strengthening the ties between the U.S. and African countries. Our posts have also countered significant Soviet disinformation efforts and have supported U.S. interests in the Indian Ocean as well as our diplomatic efforts to win a negotiated independence for Namibia, Libyan withdrawal from Chad, and the departure of Cuban troops from Angola. In addition, due to the increasing urgency of the need to find a solution to the problems in South Africa, USIA has made a major effort to support U.S. Government activities that encourage internal dialogue leading to the establishment of a political structure based on the consent of the governed. As elsewhere in the world, USIA operations in Africa use the techniques of public diplomacy to explain U.S. foreign policy and portray American society. Specific themes we stress in Africa include: U.S. support for peaceful resolution of problems; encouragement of African solutions to African problems, and opposition to Soviet and their clients' intrusion; America's interest in Africa's economic development; encouragement of the establishment of democratic institutions and respect for human rights; and the responsiveness of America's free and open society in providing social, political, economic and racial justice and equality for all our people. In support of these public diplomacy initiatives, Agency personnel employ a variety of communication tools, including media products, personal contact, and visiting U.S. experts and performing groups who lecture, lead seminars, participate in workshops and enter into dialogue with Africans.

Enhanced programming in 1985 and 1986 by USIS South Africa in the exchange and information fields, plus the assignment of an additional officer in Capetown to intensify coverage of the Port Elizabeth area, upgrading of the Soweto reading room, and enhancement of program outreach in Durban, will allow the U.S. Mission there to engage in expanded outreach activities to all segments of South African society, particularly the disenfranchised communities. The opening of a USIS branch post

II. 1985 AND 1986 PROGRAMS (continued)

in politically significant Zanzibar, Tanzania will expand USIS information and educational opportunities in an area that has long been denied access to Western ideas, information and values. The completion of the USIS post opening in Ethiopia in 1986 will provide professional public diplomacy support to the U.S. Mission at a time when effective information and exchange activities are pivotal to the success of U.S. Government policy in this troubled country.

III. 1987 PLANS

The 1987 estimate for African programs totals $25,134,400. This amount is part of the overall 1987 budget level proposed by the Administration to enable USIA to consolidate the rebuilding and enhancement of the Agency's program capabilities accomplished or planned prior to the 1986 reductions required by the Balanced Budget and Emergency Deficit Control Act of 1985. In recognition of this, the 1986 cuts will be accommodated largely through deferrals and one-time reductions.

This document reflects a uniform application of the overall 4.3 percent reduction to each major program activity. However, the Agency is still assessing the impact of an overall 4.3 percent reduction in the Salaries and Expenses account, and we expect that the reduction will not be applied evenly to all elements in order to avoid especially disruptive effects on staff, facilities, and certain programs. An approximate cut of that magnitude in Africa would require the following types of illustrative reductions: reductions of travel performed to ensure that Africa-wide programming and management initiatives are being carried out and to monitor and assess effectiveness of field operations; elimination of the English teaching workshop; reduction in the foreign national employee training program; curtailment of on-going exchanges and library/cultural programs; and a severe limitation in the number of special projects and programs for field posts.

The increase of $1,798,069 is requested to consolidate and continue programs at levels established under the 1986 Appropriations Act (P.L. 99-180). The funds will provide for overseas wage-scale and price increases and other built-in changes, including adjustments to sustain programs affected in 1986 by reductions under the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177).

The "Program Activity Costs" displayed in the justifications that follow consist of local operating costs and program materials and services acquired or produced in direct support of the overseas missions' programs by the Bureaus of the Voice of America, Educational and Cultural Affairs, Programs, and Management and the Television and Film Service in Washington from funds allocated by the posts for this purpose. In addition, the Department of State provides administrative support services to the overseas missions on a reimbursable basis, detailed estimates for which are contained in the Administrative Support from Other Agencies section of this budget.

AFRICAN PROGRAM
Summary of Requirements

	1985 Actual a/	Revised 1986 Estimate a/	Revised 1987 Estimate	Revised Increase or Decrease (-)	Page Ref.
POSITIONS:					
Domestic	25	25	25	--	
Overseas American	100	103	103	--	
Foreign National	362	373	373	--	
Total, Positions	487	501	501	--	6-6
FUNDS:					
A. Domestic Employee Compensation and Benefits	$ 977,873	$ 1,005,760	$ 1,007,302	$ 1,542	6-4
B. Overseas American Employee Compensation & Benefits	5,874,889	6,210,612	6,348,360	137,748	6-4
C. Foreign National Employee Compensation & Benefits	2,757,085	3,480,330	4,018,922	538,592	6-5
D. Program Activity Costs:					
1. Radio	151,831	129,871	131,402	1,531	6-8
2. Press and Publications	1,701,297	1,898,756	1,925,138	26,382	6-8
3. Television and Films	731,213	641,917	649,590	7,673	6-9
4. American Centers and Related Activities	5,102,535	5,148,877	4,994,545	-154,332	6-9
5. Program Direction	388,664	413,265	457,639	44,374	6-10
6. Other Program Expenses	6,070,048	5,487,140	5,641,502	154,362	6-11
Sub-total, Activity Costs	14,145,588	13,719,826	13,799,816	79,990	
Total, Gross Funds (Comparative Basis)	23,755,435	24,416,528	25,174,400	757,872	
E. Deduct Reimbursements	-83,773	-40,000	-40,000	--	
Total, Direct Funds (Comparative Basis)	23,671,662	24,376,528	25,134,400	757,872	
F. Reduction Pursuant to P.L. 99-177	XXX	-1,017,000	--	1,017,000	
Revised and Estimated Appropriations (Comparative Basis)	XXX	23,359,528	25,134,400	1,774,872	

a/ For comparative purposes, includes $211,820 and four positions in 1985 and $185,897 and four positions in 1986 (funded from remaining carryover balances) for programs in Guinea that are transferred from the former Special Foreign Currency Program appropriation.

AFRICAN PROGRAM

FUNDS:

A. Domestic Employee Compensation and Benefits (1985 Actual, $977,873; 1986 Estimate, $1,005,760; 1987 Estimate, $1,007,302; Increase, $1,542).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Full-time permanent positions	25	25	25	--
Salary and direct benefit costs	$977,873	$1,005,760	$1,007,302	$1,542

The increase of $1,542 is requested to provide $304 for annualization of FICA rate increases and $1,238 for within-grade salary increases in 1987.

B. Overseas American Employee Compensation and Benefits (1985 Actual, $5,874,889; 1986 Estimate, $6,210,612; 1987 Estimate, $6,348,360; Increase, $137,748).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Full-time permanent positions	100	103	103	--
1. Salary and direct benefit costs	$4,654,070	$4,921,470	$5,030,271	$108,801
2. Hardship post differentials	487,739	584,202	587,678	3,476
3. Foreign Service allowances	610,120	587,748	608,243	20,495
4. Rest, recuperation and family visitation travel	122,960	117,192	122,168	4,976
Total	5,874,889	6,210,612	6,348,360	137,748

The increase of $137,748 is requested to provide:

a. $6,974 for within-grade salary increases in 1987;
b. $1,756 for annualization of FICA rate increases;
c. $20,495 for anticipated cost increases for Foreign Service allowances;
d. $4,976 for anticipated increases in rest and recuperation travel requirements; and
e. $103,547 for full-year salary costs for three new positions added in 1986 in Ethiopia and South Africa.

C. Foreign National Employee Compensation and Benefits (1985 Actual, $2,757,085; 1986 Estimate, $3,480,330; 1987 Estimate, $4,018,922; Increase, $538,592).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Full-time permanent positions	362	373	373	--
Salary and direct benefit costs	$2,757,085	$3,480,330	$4,018,922	$538,592

The increase of $538,592 is requested to provide:

a. $450,630 for foreign national employee wage scale increases, consisting of $143,540 for increases effective for part of 1986 and $307,090 for increases anticipated in 1987;
b. $15,107 for within-grade salary increases in 1987;
c. 67,000 for full-year costs of four new positions added in 1986 in support of a new post opening in Ethiopia, and the addition of seven foreign national positions in 1986 to enhance programming in Mozambique, Senegal, South Africa and Kenya; and
d. $5,855 resulting from full-year costs of exchange rate adjustments through November 30, 1985.

AFRICAN PROGRAM

Domestic, overseas American, and foreign national employee compensation and benefits provide for positions in the African Area as follows:

	1985 Actual			1986 Estimate			1987 Estimate		
	American	Foreign National	Total	American	Foreign National	Total	American	Foreign National	Total
Domestic	25	--	25	25	--	25	25	--	25
Country and Regional Elements:									
Benin	1	5	6	1	5	6	1	5	6
Botswana	1	5	6	1	5	6	1	5	6
Burkina Faso	1	5	6	1	5	6	1	5	6
Burundi	1	4	5	1	4	5	1	4	5
Cameroon	5	13	18	5	13	18	5	13	18
Central African Republic	1	4	5	1	4	5	1	4	5
Chad	1	4	5	1	4	5	1	4	5
Congo	1	4	5	1	4	5	1	4	5
Ethiopia	1	1	2	2	5	7	2	5	7
Gabon	1	6	7	1	6	7	1	6	7
Ghana	3	16	19	3	16	19	3	16	19
Guinea	2	4 a/	6	2	4 a/	6	2	4	6
Ivory Coast	5	13	18	5	13	18	5	13	18
Kenya	5	21	26	5	21	26	5	21	26
Lesotho	1	5	6	1	5	6	1	5	6
Liberia	4	10	14	4	10	14	4	10	14
Madagascar	2	9	11	2	9	11	2	9	11
Malawi	1	5	6	1	5	6	1	5	6
Mali	1	5	6	1	5	6	1	5	6
Mauritius	1	3	4	1	3	4	1	3	4
Mozambique	1	2	3	1	3	4	1	3	4
Niger	1	6	7	1	6	7	1	6	7

AFRICAN PROGRAM

	1985 Actual			1986 Estimate			1987 Estimate		
	American	Foreign National	Total	American	Foreign National	Total	American	Foreign National	Total
Nigeria	13	51	64	13	51	64	13	51	64
Rwanda	1	3	4	1	3	4	1	3	4
Senegal	4	13	17	4	14	18	4	14	18
Sierra Leone	1	7	8	1	7	8	1	7	8
Somalia	2	6	8	2	6	8	2	6	8
South Africa	12	30	42	14	34	48	14	34	48
Swaziland	1	4	5	1	4	5	1	4	5
Tanzania	5	15	20	5	15	20	5	15	20
Togo	1	7	8	1	7	8	1	7	8
Uganda	1	3	4	1	3	4	1	3	4
Zaire	7	33	40	7	33	40	7	33	40
Zambia	2	11	13	2	11	13	2	11	13
Zimbabwe	2	10	12	2	10	12	2	10	12
Regional Services (Paris)	4	19	23	4	19	23	4	19	23
Regional Youth and Sports Officer (Nairobi)	1	--	1	1	1	2	1	1	2
Regional Secretary (Lome)	1	--	1	1	--	1	1	--	1
Regional Secretary (Harare)	1	--	1	1	--	1	1	--	1
Sub-total, Country and Regional Elements	100	362	462	103	373	476	103	373	476
Total, Positions	125	362	487	128	373	501	128	373	501

a/ For comparative purposes, includes four positions in both 1985 and 1986 for programs in Guinea that are transferred from the former Special Foreign Currency Program appropriation.

AFRICAN PROGRAM

D. Program Activity Costs (1985 Actual, $14,145,588; 1986 Estimate, $13,719,826; 1987 Estimate, $13,799,816; Increase, $79,990).

Program activity costs derive from the following: radio, press and publications, television and films, American centers and related activities, program direction and other program expenses. The estimates for each of these activities are shown below in detail, and consist of local operating costs and the costs of program materials and services acquired or produced in Washington. (See "Overseas Missions Operations Summary," Section 4 of the S&E budget, for a general description of the nature of these activities.)

1. Radio Activities (1985 Actual, $151,831; 1986 Estimate, $129,871; 1987 Estimate, $131,402; Increase, $1,531).

This program activity consists of the production and adaptation of radio programs, including VOA package programs and music transcription libraries, for placement on local stations; promotion of VOA broadcasts; and the purchase of radio supplies, equipment, and maintenance services. The increase of $1,531 in 1987 is requested to cover cost increases for services and materials.

2. Press and Publications Activities (1985 Actual, $1,701,297; 1986 Estimate, $1,898,756; 1987 Estimate, $1,925,138; Increase, $26,382).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
a. Periodicals	$ 535,187	$ 616,667	$ 640,777	$24,110
b. Information placement	505,123	711,491	706,401	-5,090
c. Pamphlets and leaflets	140,419	139,183	141,412	2,229
d. Materials and equipment	520,568	431,415	436,548	5,133
Total	1,701,297	1,898,756	1,925,138	26,382

This program activity consists of: (a) production and distribution of periodicals; (b) reception and placement of the Agency's Wireless File and other informational materials (special articles, features, reprints, and photos) with local publications and radio and television stations; (c) production and distribution of pamphlets, leaflets and posters, and photo displays; and (d) purchase of paper, supplies, equipment and related materials required to support these activities.

The net increase of $26,382 is requested to provide $60,634 for anticipated cost increases and $2,948 for the full-year costs of exchange rate adjustments through November 30, 1985.

These increases are offset, in part, by $37,200 related to the 1986 enhancement of programs in South Africa.

AFRICAN PROGRAM

3. Television and Film Activities (1985 Actual, $731,213; 1986 Estimate, $641,917; 1987 Estimate, $649,590; Increase, $7,673).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
a. Production and adaptation	$283,870	$262,244	$265,514	$3,270
b. Distribution and promotion	114,186	92,287	93,475	1,188
c. Audio-visual equipment and maintenance	333,157	287,386	290,601	3,215
Total	731,213	641,917	649,590	7,673

This program activity consists of: (a) acquisition, production, and adaptation of television and film programs for placement by the posts, including language versions and release prints; (b) distribution, exhibition, promotion, travel and other costs incurred in reaching selected audiences; and (c) purchase and shipment of projectors and parts, screens, videotape equipment, rawstock, maintenance supplies, and other audio-visual materials.

The requested net increase of $7,673 will provide $9,673 for anticipated cost increases and $5,000 for full-year costs of 1986 program enhancements in South Africa.

These increases are offset, in part, by non-recurring of $7,000 related to the upgrading of the reading room in Soweto, South Africa to a small library in 1986.

4. American Centers and Related Activities (1985 Actual, $5,102,535; 1986 Estimate, $5,148,877; 1987 Estimate, $4,994,545; Decrease, $154,332).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
a. American center operations	$3,590,947	$3,266,253	$3,049,245	$-217,008
b. Book programs	203,026	250,700	262,888	12,188
c. Exhibits	163,310	133,887	138,800	4,913
d. Presentations	80,760	81,525	82,502	977
e. English teaching	463,447	694,265	708,497	14,232
f. Lectures, seminars, and other programs	601,045	722,247	752,613	30,366
Total	5,102,535	5,148,877	4,994,545	-154,332

This program activity consists of: (a) operating, support, and space costs for 40 American centers and two reading rooms; (b) book publication, translation and distribution costs; (c) production and display of small-scale exhibits; (d) purchase and presentation of books and magazines to carefully selected government officials, educators, opinion leaders, schools, and other groups and institutions; (e) English-teaching activities, including seminars and programs designed to encourage the use of American-oriented teaching aids and contractual arrangements for English-teaching programs; and (f) other cultural and communication programs, including Agency-sponsored lectures, seminars, concerts, workshops, and similar functions; promotion of events under the special Cultural Presentations Program; and local support of the Exchange-of-Persons Programs and similar privately-sponsored programs. These activities are designed to promote wide appreciation of America's cultural, political, economic and scientific achievements.

The net decrease of $154,332 results from the following non-recurring costs:

a. $526,000 for renovation/refurbishment of the centers in Malawi ($120,000), Senegal ($137,000), Sierra Leone ($120,000), Lubumbashi, Zaire ($120,000) and Zimbabwe ($29,000);
b. $135,500 in start-up costs for the branch post in Zanzibar, Tanzania opened in 1986; and
c. $40,000 for multi-year leases paid in 1986.

These decreases are offset, in part, by the following increases:

a. $330,000 for refurbishment of the center in Lagos, Nigeria ($80,000) and relocation of the center in Pretoria, South Africa ($250,000);
b. $160,127 for anticipated cost increases for services, rents, contractual services, and procurement of supplies and materials;
c. $51,243 for net full-year costs of enhancing mission programs in South Africa ($48,243) and Ethiopia ($3,000); and
d. $5,798 for the full-year costs of exchange rate adjustments through November 30, 1985.

5. Program Direction (1985 Actual, $388,664; 1986 Estimate, $413,265; 1987 Estimate, $457,639; Increase, $44,374).

These funds provide for travel by the Area Director and his staff; workshops and conference travel; travel within each country by the Public Affairs Officers and their staffs to supervise and direct post activities; the procurement of reference books, magazines and newspapers for staff use; and travel and other expenses for local research activities.

The increase of $44,374 is requested to provide $11,440 for increased costs of locally procured materials and services; $25,934 for increases in international air fares; and $7,000 for full-year costs of enhancing mission programs in South Africa implemented in 1986.

AFRICAN PROGRAM

6. Other Program Expenses (1985 Actual, $6,070,048; 1986 Estimate, $5,487,140; 1987 Estimate, $5,641,502; Increase, $154,362).

These funds provide for residential and non-residential space costs, cleaning and custodial services, vehicle purchase and operations, purchase of furniture, supplies and equipment, communication costs, and related expenses to support post programs.

The net increase of $154,362 is requested to provide:

a. $210,906 for cost increases for office and residential lease renewals, utilities, international shipping and procurement of vehicles and supplies and materials;
b. $182,500 for multi-year lease payments due in 1987; and
c. $5,822 for the full-year costs of exchange rate adjustments through November 30, 1985.

These increases are offset, in part, by the following net non-recurring costs:

a. $8,043 related to the 1986 enhancement of programs in South Africa;
b. $104,000 related to the 1986 enhancement of programs in Ethiopia ($89,500) and Zanzibar, Tanzania ($14,500);
c. $77,823 for multi-year leases paid in 1986; and
d. $55,000 for shipping and other refurbishment costs for Benin ($10,000), Burundi ($22,500), and the Central African Republic ($22,500).

AFRICAN PROGRAM

Recapitulation of Costs by Country and Area-Wide Costs

POSITIONS:	1985 Actual a/	Revised 1986 Estimate a/	Revised 1987 Estimate	Revised Increase or Decrease (-)
Domestic	25	25	25	--
Overseas American	100	103	103	--
Foreign National	362	373	373	--
Total, Positions	487	501	501	--
COSTS BUDGETED BY COUNTRY:				
Benin	$ 404,887	$ 252,520	$ 250,224	$ -2,296
Botswana	154,124	37,852	146,634	108,782
Burkina Faso	267,270	258,945	269,903	10,958
Burundi	261,182	233,442	224,869	-8,573
Cameroon	694,614	681,658	747,059	65,401
Central African Republic	294,053	298,301	299,561	1,260
Chad	180,348	187,182	220,447	33,265
Congo	288,655	276,164	306,761	30,597
Ethiopia	187,012	349,605	451,368	101,763
Gabon	265,801	322,735	336,834	14,099
Ghana	438,902	469,900	494,003	24,103
Guinea	435,176	397,127	430,828	33,701
Ivory Coast	680,473	656,712	706,428	49,716
Kenya	531,232	535,819	576,857	41,038
Lesotho	142,260	114,917	121,259	6,342
Liberia	588,099	490,969	505,391	14,422
Madagascar	323,877	295,368	313,985	18,617
Malawi	351,442	335,802	228,211	-107,591
Mali	156,372	142,950	144,689	1,739
Mauritius	118,692	115,258	122,543	7,285
Mozambique	135,571	164,578	217,216	52,638
Niger	242,726	223,034	226,547	3,513
Nigeria	2,793,825	2,303,361	2,624,792	321,431
Rwanda	248,765	235,202	245,053	9,851
Senegal	753,608	840,054	752,845	-87,209
Sierra Leone	176,304	293,014	190,133	-102,881

AFRICAN PROGRAM

Recapitulation of Costs by Country and Area-Wide Costs (continued)

	1985 Actual a/	Revised 1986 Estimate a/	Revised 1987 Estimate	Revised Increase or Decrease (-)
COSTS BUDGETED BY COUNTRY (continued):				
Somalia	$ 369,339	$ 303,156	$ 405,228	$ 102,072
South Africa	1,165,206	1,129,762	1,561,940	432,178
Swaziland	141,588	118,353	125,245	6,892
Tanzania	680,508	720,885	718,128	-2,757
Togo	281,440	297,630	329,227	31,597
Uganda	220,251	199,726	212,301	12,575
Zaire	1,138,479	1,160,810	1,127,361	-33,449
Zambia	621,881	318,196	491,883	173,687
Zimbabwe	357,933	395,885	389,478	-6,407
African Regional Services	1,093,593	1,380,421	1,485,792	105,371
Sub-total, Country Costs	17,185,488	16,537,293	18,001,023	1,463,730
AREA-WIDE COSTS:				
Domestic Employee Compensation and Benefits	977,873	1,005,760	1,007,302	1,542
Overseas American Employee Compensation and Benefits b/	5,141,809	5,485,672	5,599,949	114,277
Other Regional Services	450,265	370,803	566,126	195,323
Sub-total, Area-Wide Costs	6,569,947	6,862,235	7,173,377	311,142
Total, Gross Funds (Comparative Basis)	23,755,435	23,399,528	25,174,400	1,774,872
Deduct Reimbursements	-83,773	-40,000	-40,000	--
Total, Direct Funds (Comparative Basis)	23,671,662	23,359,528	25,134,400	1,774,872

a/ For comparative purposes, includes $211,820 and four positions in 1985 and $185,897 and four positions in 1986 (funded from remaining carryover balances) for programs in Guinea that are transferred from the former Special Foreign Currency Program appropriation.

b/ Excludes Foreign Service allowances and rest and recuperation travel paid at posts which are included in country costs.

NORTH AFRICA, NEAR EAST AND SOUTH ASIA PROGRAM

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Summary of Requirements	$30,274,990	$29,777,094	$32,027,300	$2,250,206

General Statement

I. SUMMARY

In 1987 the Agency will continue to direct operations in 23 countries, stretching from Mauritania in northwestern Africa to Bangladesh in South Asia. There are 38 posts, 26 American centers and two reading rooms in this area. The Agency also arranges for speakers and performing artists through regional offices in Paris and India. A staff of 125 overseas American and 714 foreign national employees is provided for these installations and programs. A Washington-based staff of 22 employees directs and supports the overseas operations.

In 1987 a net increase of $2,250,206 is requested for wage, cost and other built-in increases required to consolidate and continue programs at levels established under the 1986 Appropriations Act (P.L. 99-180).

II. 1985 AND 1986 PROGRAMS

During 1985 and 1986, NEA continued to focus attention on Afghanistan, placing particular emphasis on the 6th anniversary of the Soviet invasion. Posts throughout the world reached influential and receptive audiences with the Agency's new VCR "Afghanistan: Land of Fire." In addition, Posts made wide use of telepress conferences with American experts and distributed a variety of Agency-produced media products (pamphlets and Wireless File articles) to focus attention on the Soviet Union's continued occupation of Afghanistan. 1985 also saw the inauguration of the Afghan Media Project -- a program designed to assist the Afghan Freedom Fighters in developing their own newsmaking base through hands-on training in written journalism and modern television techniques, thereby advancing their ability to tell the world their story in a more effective and timely manner. The President's Middle East peace initiative continued to receive NEA support through programming of authoritative speakers and statements of Administration officials. NEA has provided extensive assistance to the Indo-U.S. Subcommission on Education and Culture for its Festival of India program in the U.S., particularly through coordination of coverage of these events for placement in the Indian press and on Indian TV.

In 1985, one overseas American position, an Assistant Information Officer, was established in Rabat, Morocco as a result of an expanded Country information program. In Yemen, one overseas American position, an Assistant Public Affairs Officer, was added to allow the Post to engage in more substantial USIS programming in a region of critical strategic importance to the United States. In Sudan, one American position, Administrative Secretary, was added to handle the voluminous amount of administrative work. Additionally, the vacant Assistant Public Affairs Officer position in Beirut, Lebanon was moved to Damascus, Syria for the purpose of establishing a Regional Arabic Program Officer position.

NORTH AFRICA, NEAR EAST AND SOUTH ASIA PROGRAM

In 1986 an overseas American position, Information Officer, was added in Dhaka, Bangladesh in order for the United States to better achieve the full effect of U.S. foreign policy objectives. Mauritania was granted a program increase for furniture and furnishings for the USIS center and to establish an equipment replacement schedule as a means of improving the quality of life at NEA's most isolated and difficult post. Israel received a program increase for expansion of student counselor activities.

III. 1987 PLANS

The 1987 estimate for North Africa, Near East, and South Asia (NEA) programs totals $32,027,300. This amount is part of the overall 1987 budget level proposed by the Administration to enable USIA to consolidate the rebuilding and enhancement of the Agency's program capabilities accomplished or planned prior to the 1986 reductions required by the Balanced Budget and Emergency Deficit Control Act of 1985. In recognition of this, the 1986 cuts will be accommodated largely through deferrals and one-time reductions.

This document reflects a uniform application of the overall 4.3 percent reduction to each major program activity. However, the Agency is still assessing the impact of an overall 4.3 percent reduction in the Salaries and Expenses account, and we expect that the reduction will not be applied evenly to all elements in order to avoid especially disruptive effects on staff, facilities, and certain programs. An approximate cut of that magnitude in NEA would require the following types of illustrative reductions: deferral of 1986 program enhancements in Bangladesh, Mauritania and Israel; reductions in equipment and supply purchases; and curtailment of travel and other program activity funding directly related to radio, press and publications, television and films, and American centers and related endeavors.

The increase of $2,250,206 is requested to consolidate and continue programs at levels established under the 1986 Appropriations Act (P.L. 99-180). The funds will provide for overseas wage-scale and price increases, multi-year lease payments due in 1987, and other built-in changes, including adjustments to sustain programs affected in 1986 by reductions under the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177).

The "Program Activity Costs" displayed in the justifications that follow consist of local operating costs and program materials and services acquired or produced in direct support of the overseas missions' programs by the Bureaus of the Voice of America, Educational and Cultural Affairs, Programs, and Management and the Television and Film Service in Washington from funds allocated by the posts for this purpose. In addition, the Department of State provides administrative support services to the overseas missions on a reimbursable basis, detailed estimates for which are contained in the Administrative Support from Other Agencies section of this budget.

For comparative purposes, the funds and positions for programs in India and Pakistan that were transferred from the former Special Foreign Currency Program appropriation to the Salaries and Expenses dollar account in 1986 are included in the detailed justifications that follow.

NORTH AFRICA, NEAR EAST AND SOUTH ASIA PROGRAM

Summary of Requirements

	1985 Actual a/	Revised 1986 Estimate a/	Revised 1987 Estimate	Revised Increase or Decrease (-)	Page Ref.
POSITIONS:					
Domestic	22	22	22	—	
Overseas American	124	125	125	--	
Foreign National	714	714	714	—	
Total, Positions	860	861	861	—	7-6
FUNDS:					
A. Domestic Employee Compensation and Benefits	$ 897,549	$ 923,617	$ 925,010	$ 1,393	7-4
B. Overseas American Employee Compensation & Benefits	7,631,330	7,894,687	7,953,578	58,891	7-4
C. Foreign National Employee Compensation & Benefits	5,569,694	6,417,699	7,047,332	629,633	7-5
D. Program Activity Costs:					
1. Radio	70,638	74,136	75,746	1,610	7-7
2. Press and Publications	2,304,195	2,536,007	2,616,320	80,313	7-7
3. Television and Films	519,242	437,674	447,337	9,663	7-8
4. American Centers and Related Activities	5,960,634	6,032,376	6,084,598	52,222	7-8
5. Program Direction	438,647	502,661	525,634	22,973	7-10
6. Other Program Expenses	6,968,385	6,326,556	6,487,215	160,659	7-10
Sub-total, Activity Costs	16,261,741	15,909,410	16,236,850	327,440	
Total, Gross Funds (Comparative Basis)	30,360,314	31,145,413	32,162,770	1,017,357	
E. Deduct Reimbursements	-85,324	-130,750	-135,470	-4,720	
Total, Direct Funds (Comparative Basis)	30,274,990	31,014,663	32,027,300	1,012,637	
F. Reduction Pursuant to P.L. 99-177	XXX	-1,167,000	--	1,167,000	
Revised and Estimated Appropriations (Comparative Basis)	XXX	29,847,663	32,027,300	2,179,637	

a/ For comparative purposes, includes $7,171,508 and 393 positions in 1985 for programs in India and Pakistan, and $2,233,999 and 102 positions in 1986 (funded from remaining carryover balances) for programs in Pakistan that are transferred from the former Special Foreign Currency Program appropriation.

NORTH AFRICA, NEAR EAST AND SOUTH ASIA PROGRAM

A. Domestic Employee Compensation and Benefits (1985 Actual, $897,549; 1986 Estimate, $923,617; 1987 Estimate, $925,010; Increase, $1,393).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Positions	22	22	22	--
Salary and direct benefit costs	$ 897,549	$ 923,617	$ 925,010	$ 1,393

The increase of $1,393 is requested to provide $1,114 for within-grade salary increases in 1987 and $279 for annualization of FICA rate increases.

B. Overseas American Employee Compensation and Benefits (1985 Actual, $7,631,330; 1986 Estimate, $7,894,687; 1987 Estimate, $7,953,578; Increase, $58,891).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Positions	124	125	125	--
1. Salary and direct benefit costs	$6,268,380	$6,482,596	$6,516,140	$33,544
2. Hardship post differentials	717,442	843,442	848,735	5,293
3. Foreign Service allowances	485,211	425,649	443,203	17,554
4. Rest and recuperation travel	160,297	143,000	145,500	2,500
Total	7,631,330	7,894,687	7,953,578	58,891

The net increase of $58,891 is requested to provide $8,465 for within-grade salary increases in 1987; $2,337 for annualization of FICA rate increases; $14,910 for anticipated cost increases for Foreign Service allowances; and $35,589 for full-year salary costs ($28,035), Foreign Service allowances ($5,054), and rest and recuperation travel ($2,500) for one Information Officer position added in 1986 in Bangladesh. These increases are partially offset by non-recurring transfer and temporary lodging allowances of $2,410 associated with the Information Officer position added in Bangladesh in 1986.

NORTH AFRICA, NEAR EAST AND SOUTH ASIA PROGRAM

C. Foreign National Employee Compensation and Benefits (1985 Actual, $5,569,694; 1986 Estimate, $6,417,699; 1987 Estimate, $7,047,332; Increase, $629,633).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Positions	714	714	714	--
Salary and direct benefit costs	$5,569,694	$6,417,699	$7,047,332	$629,633

The net increase of $629,633 is requested to provide:

a. $599,469 for foreign national employee wage-scale increases, consisting of $299,017 for increases effective for part of 1986 and $300,452 for increases anticipated in 1987;
b. $29,846 for within-grade salary increases in 1987; and
c. $318 for full-year costs of 1986 exchange rate adjustments through November 30, 1985.

NORTH AFRICA, NEAR EAST AND SOUTH ASIA PROGRAM

Domestic, overseas American and foreign national employee compensation and benefits provide for positions in the Area as follows:

	1985 Actual			1986 Estimate			1987 Estimate		
	American	Foreign National	Total	American	Foreign National	Total	American	Foreign National	Total
Domestic	22	--	22	22	--	22	22	--	22
Country or Regional Element									
Algeria	3	7	10	3	7	10	3	7	10
Bahrain	1	5	6	1	5	6	1	5	6
Bangladesh	3	19	22	4	19	23	4	19	23
Egypt	10	51	61	10	51	61	10	51	61
India	28	289 a/	317	28	288	316	28	288	316
Iraq	1	3	4	1	3	4	1	3	4
Israel	7	39	46	7	39	46	7	39	46
Jordan	4	14	18	4	14	18	4	14	18
Kuwait	1	4	5	1	4	5	1	4	5
Lebanon	2	11	13	2	11	13	2	11	13
Mauritania	1	3	4	1	3	4	1	3	4
Morocco	10	32	42	10	32	42	10	32	42
Nepal	3	22	25	3	22	25	3	22	25
Oman	1	4	5	1	4	5	1	4	5
Pakistan	17	102 a/	119	17	102 a/	119	17	102	119
Qatar	1	3	4	1	3	4	1	3	4
Saudi Arabia	8	16	24	8	16	24	8	16	24
Sri Lanka	4	26	30	4	26	30	4	26	30
Sudan	3	13	16	3	13	16	3	13	16
Syria	5	10	15	5	11	16	5	11	16
Tunisia	5	25	30	5	25	30	5	25	30
United Arab Emirates	1	6	7	1	6	7	1	6	7
Yemen	3	4	7	3	4	7	3	4	7
Jerusalem	1	3	4	1	3	4	1	3	4
Regional Program (India)	1	2 a/	3	1	2	3	1	2	3
ARS Paris	--	1	1	--	1	1	--	1	1
Sub-total, Country or Regional	124	714	838	125	714	839	125	714	839
Total, Positions	146	714	860	147	714	861	147	714	861

a/ For comparative purposes, includes 393 positions in 1985 for programs in India and Pakistan, and 102 positions in 1986 (funded from remaining carryover balances) for programs in Pakistan that are transferred from the former Special Foreign Currency Program appropriation.

NORTH AFRICA, NEAR EAST AND SOUTH ASIA PROGRAM

D. Program Activity Costs (1985 Actual, $16,261,741; 1986 Estimate, $15,909,410; 1987 Estimate, $16,236,850; Increase, $327,440).

Program activity costs derive from the following: radio, press and publications, television and films, American centers and related activities, program direction, and other program expenses. The estimates for each of these activities are shown below in detail, and consist of local operating costs and the costs of program materials and services acquired or produced in Washington. (See "Overseas Missions Operations Summary," Section 4 of the S&E budget, for a general description of the nature of each of these activities.)

1. Radio Activities (1985 Actual, $70,638; 1986 Estimate, $74,136; 1987 Estimate, $75,746; Increase, $1,610).

This program activity consists of the production and adaptation of radio programs, including VOA package programs and music transcription libraries, for placement on local stations; promotion of VOA broadcasts; and the purchase of radio supplies, equipment, and maintenance services. The increase of $1,610 in 1987 is requested to cover cost increases for services, materials and international shipping.

2. Press and Publications Activities (1985 Actual, $2,304,195; 1986 Estimate, $2,536,007; 1987 Estimate, $2,616,320; Increase, $80,313).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
a. Periodicals	$1,013,070	$1,076,699	$1,104,654	$27,955
b. Information placement	740,817	975,140	1,018,522	43,382
c. Pamphlets and leaflets	246,533	230,086	236,430	6,344
d. Materials and equipment	303,775	254,082	256,714	2,632
Total	2,304,195	2,536,007	2,616,320	80,313

This program activity consists of: (a) production and distribution of periodicals; (b) reception and placement of the Agency's Wireless File and other informational materials (special articles, features, reprints, and photos) with local publications and radio and television stations; (c) production and distribution of pamphlets, leaflets, posters, and photo displays; and (d) purchase of paper, supplies, equipment and related materials required to support these activities.

The increase of $80,313 in 1987 is requested to cover cost increases for postage, printing, procurement of paper, equipment, materials and supplies and international shipping in Algeria ($5,117), India ($30,754), Israel ($2,980), Saudi Arabia ($7,234), and 19 other countries ($34,228).

NORTH AFRICA, NEAR EAST AND SOUTH ASIA PROGRAM

3. Television and Film Activities (1985 Actual, $519,242; 1986 Estimate, $437,674; 1987 Estimate, $447,337; Increase, $9,663).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
a. Production and adaptation	$252,725	$232,138	$235,987	$3,849
b. Distribution and promotion	150,307	118,475	123,386	4,911
c. Audio-visual equipment and maintenance	116,210	87,061	87,964	903
Total	519,242	437,674	447,337	9,663

This program activity consists of: (a) acquisition, production, and adaptation of television and film programs for placement by the posts, including language versions and release prints; (b) distribution, exhibition, promotion, travel and other costs incurred in reaching selected audiences; and (c) purchase and shipment of projectors and parts, screens, videotape equipment, rawstock, maintenance supplies, and other audio-visual materials.

The increase of $9,663 in 1987 is requested to cover cost increases for services, procurement of supplies, materials and equipment and international shipping in Algeria ($1,033), India ($3,223), Israel ($591), Pakistan ($814), and 19 other countries ($4,002).

4. American Centers and Related Activities (1985 Actual, $5,960,634; 1986 Estimate, $6,032,376; 1987 Estimate, $6,084,598; Increase, $52,222).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
a. American center operations	$3,895,805	$3,900,632	$3,874,007	$-26,625
b. Book programs	288,648	340,928	348,309	7,381
c. Exhibits	194,853	159,775	164,756	4,981
d. Presentations	119,136	114,196	116,709	2,513
e. English teaching	207,330	244,286	252,303	8,017
f. Lectures, seminars and other programs	1,254,862	1,272,559	1,328,514	55,955
Total	5,960,634	6,032,376	6,084,598	52,222

NORTH AFRICA, NEAR EAST AND SOUTH ASIA PROGRAM

In each city, where the local situation permits, the American center operates as the focus of coordinated and targeted post programming. This program activity consists of: (a) operating, support, and space costs for 24 American centers and two reading rooms; (b) book publication, translation and distribution costs; (c) production and display of small-scale exhibits; (d) purchase and presentation of books and magazines to carefully selected government officials, educators, opinion leaders, schools, and other groups and institutions; (e) English-teaching activities, including seminars and programs designed to encourage the use of American-oriented teaching aids and contractual arrangements for English-teaching programs; and (f) other cultural and communication programs, including Agency-sponsored lectures, seminars, concerts, workshops and similar functions; promotion of events under the special Cultural Presentations Program; and local support of the Exchange-of-Persons Programs and similar privately-sponsored programs. These activities are designed to promote wide appreciation of America's cultural, political, economic, and scientific achievements.

The net increase of $52,222 is requested to provide:

a. $210,000 for renovation and relocation of the offices/center in Cairo, Egypt;
b. $25,000 for renovation of the offices in Abu Dhabi, United Arab Emirates;
c. $307,699 for multi-year lease payments due in 1987;
d. $2,500 for full-year costs associated with the Information Officer position added in Bangladesh in 1986; and
e. $167,993 for anticipated cost increases for services, rents, contractual services, transportation, international shipping, and procurement of supplies and materials in India ($51,068), Israel ($14,193), Pakistan ($25,173), Sudan ($7,081), and 19 other countries ($70,478).

These increases are offset, in part, by the following decreases:

a. $10,000 for completion costs of the relocation of the center in Peshawar, Pakistan;
b. $335,000 relocation of the offices/center in Algiers, Algeria;
c. $21,000 for relocation of the offices/center in Dhaka, Bangladesh ($321,000) offset, in part, by costs necessary to continue this project ($300,000); and
d. $294,970 for multi-year leases paid in 1986.

5. Program Direction (1985 Actual, $438,647; 1986 Estimate, $502,661; 1987 Estimate, $525,634; Increase, $22,973).

These funds provide for travel by the Area Director and his staff; workshops and conference travel; travel within each country by the Public Affairs Officers and their staffs to supervise and direct post activities; the procurement of reference books, magazines, and newspapers for staff use; and travel and other expenses for local research activities.

The increase of $22,973 in 1987 is requested to provide $19,897 for cost increases for international air fares and locally procured services and materials in India ($1,687), Israel ($402), Pakistan ($522), Saudi Arabia ($1,557), and 19 other countries and domestic direction and support ($15,729), and $3,076 for full-year costs of program funds related to the Information Officer position added in 1986 in Bangladesh.

6. Other Program Expenses (1985 Actual, $6,968,385; 1986 Estimate, $6,326,556; 1987 Estimate, $6,487,215; Increase, $160,659).

These funds provide for residential and non-residential space costs, cleaning and custodial services, vehicle purchase and operations, purchase of furniture, supplies and equipment, communication costs, and related expenses to support post programs.

The net increase of $160,659 is requested to provide:

a. $230,969 for cost increases for office and residential lease renewals, utilities, international shipping and procurement of vehicles, supplies and materials in India ($55,438), Israel ($21,561), Pakistan ($17,233), Saudi Arabia ($20,998), and 19 other countries and domestic direction and support ($115,739);
b. $275,389 for multi-year lease payments due in 1987; and
c. $8,900 for full-year costs of residential maintenance, utilities and guard services associated with the Information Officer position added in Bangladesh in 1986.

These increases are offset, in part, by the following non-recurring costs:

a. $214,463 for multi-year leases paid in 1986;
b. $10,000 for one-time purchase of furniture and furnishings associated with the 1986 program increase in Mauritania;
c. $59,500 for one-time purchase of office and residential furniture/appliances for the Information Officer position added in Bangladesh in 1986;
d. $70,000 for one-time residential fix-up costs in Saudi Arabia; and
e. $636 for full-year savings from 1986 exchange rate adjustments through November 30, 1985.

NORTH AFRICA, NEAR EAST AND SOUTH ASIA PROGRAM
Recapitulation of Costs by Country and Area-Wide Costs

	1985 Actual a/	Revised 1986 Estimate a/	Revised 1987 Estimate	Revised Increase or Decrease (-)
POSITIONS:				
Domestic	22	22	22	--
Overseas American	124	125	125	--
Foreign National	714	714	714	--
Total, Positions	860	861	861	--
COSTS BUDGETED BY COUNTRY:				
Algeria	$ 918,263	$ 803,105	$ 560,143	$ -242,962
Bahrain	282,667	253,581	269,342	15,761
Bangladesh	351,860	385,586	783,960	398,374
Egypt	1,338,685	1,424,351	1,970,179	545,828
India	5,647,076	5,891,641	6,361,229	469,588
Iraq	336,501	235,329	295,699	60,370
Israel	1,560,335	1,605,112	1,827,678	222,566
Jordan	503,431	558,503	603,632	45,129
Kuwait	289,586	283,084	309,058	25,974
Lebanon	280,143	314,811	348,372	33,561
Mauritania	203,439	167,294	211,185	43,891
Morocco	867,406	966,663	1,049,986	83,323
Nepal	331,691	287,589	310,431	22,842
Oman	329,188	319,287	345,628	26,341
Pakistan	2,578,266	2,614,181	2,460,534	-153,647
Qatar	344,793	326,428	348,078	21,650
Saudi Arabia	1,499,954	1,696,835	1,557,122	-139,713
Sri Lanka	501,071	466,148	492,822	26,674
Sudan	496,087	505,568	560,167	54,599
Syria	1,067,992	562,962	760,124	197,162
Tunisia	578,127	607,890	665,224	57,334
United Arab Emirates	452,468	321,154	404,170	83,016
Yemen	937,626	389,892	440,135	50,243
Jerusalem	149,845	186,994	190,619	3,625
Regional Program (India)	129,293	78,121	103,437	25,316
ARS Paris	52,378	54,890	82,656	27,766
Sub-total, Country Costs	22,028,171	21,306,999	23,311,610	2,004,611
AREA-WIDE COSTS:				
Domestic Employee Compensation and Benefits	897,549	923,617	925,010	1,393
Overseas American Employee Compensation & Benefits b/.	6,985,822	7,295,960	7,336,840	40,880
Regional Services	448,772	451,837	589,310	137,473
Sub-total, Area-Wide Costs	8,332,143	8,671,414	8,851,160	179,746
Total, Funds	30,360,314	29,978,413	32,162,770	2,184,357
Deduct Reimbursements	-85,324	-130,750	-135,470	-4,720
Total, Direct Funds (Comparative Basis)	30,274,990	29,847,663	32,027,300	2,179,637

a/ For comparative purposes, includes $7,171,508 and 393 positions in 1985 for programs in India and Pakistan, and $2,233,999 and 102 positions in 1986 (funded from remaining carryover balances) for programs in Pakistan that are transferred from the former Special Foreign Currency Program appropriation.

b/ Excludes Foreign Service allowances and rest and recuperation travel paid at posts and included in above country costs.

AMERICAN REPUBLICS PROGRAM

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Summary of Requirements..................................	$27,735,054	$27,317,163	$29,729,400	$2,412,237

General Statement

I. SUMMARY

In 1987 the Agency will continue to conduct informational and cultural programs in 26 countries in Latin America and the Caribbean. These activities are conducted at 37 posts, 11 American centers and two reading rooms located in major cities. The Agency also provides continuing support to seven class "A" binational centers and specific project support to other centers throughout the area. A staff of 134 overseas American and 587 foreign national employees is provided for these installations and programs. A Washington-based staff of 21 employees directs and supports the overseas operations.

The net increase of $2,412,237 requested in 1987 provides for wage, cost and other built-in increases required to consolidate and continue programs at levels established under the 1986 Appropriations Act (P.L. 99-180).

II. 1985 AND 1986 PROGRAMS

Posts in the American Republics region carried out extensive programming in 1985 on several issues of vital importance to U.S. national security interests. These included U.S. policy in Central America, growth of democracy, foreign debt, narcotics and terrorism. Such issues will remain major concerns in 1986 as well. To engage in this spectrum of public affairs issues, AR posts are making good use of all Agency programs and media products -- WORLDNET, Voice of America (VOA), the Wireless File, Amparts, performing arts groups, exhibits, International Visitor (IV) grants, the Fulbright program and other exchange projects.

Support for the evolution of hemispheric democracy continues to be a major concern for many posts. The IV program has played an important role during 1985, as Latin American visitors participated in several programs on the U.S. political and legal systems. AR posts have had particular success with one-country IV groups composed of congressmen. The bicentennial of the U.S. Constitution also provides an excellent forum for programming in this area. Brazil has already held a major symposium on the U.S. constitutional experience; similar conferences are planned for Venezuela and Colombia.

Central America remains a key international concern for the United States. WORLDNET, the Wireless File and VOA have all provided channels for ranking policymakers to explain U.S. objectives in the region. USIA is also playing a major role in turning the recommendations of the Kissinger Commission for expanded academic and cultural exchanges with Central America into a reality. The arrival January 13th of 154 undergraduate students from seven Central American nations was a tangible sign of this commitment.

USIA posts in Latin America have programmed in additional areas of concern to both the United States and hemispheric nations. Such economic questions as trade and foreign debt remain major points of emphasis in USIA public diplomacy strategy for Latin America, as do narcotics and terrorism. Our programs also highlight the positive nature of U.S. society and institutions by emphasizing the freedoms and opportunities enjoyed by Americans for over 200 years, the advantages of an open democratic society and American achievements in the arts, sciences and humanities.

In 1986 a branch post will be opened in Cordoba, Argentina to extend USIA programming efforts beyond the capital city of Buenos Aires. While half of Argentina's population is in Buenos Aires, and is effectively addressed by USIS operations, the other half is now at the margins of Agency contact. USIA has been handicapped in its public diplomacy efforts without branch posts devoted to addressing the audiences in the provinces. Cordoba is Argentina's second largest city with a population exceeding one million, and the province has a population of 2.5 million. Since colonial times Cordoba has been a power center -- the church, unions, political parties, the media and cultural institutions flourish there. It is an important industrial and agricultural center. The university is the oldest and second largest in Argentina, and it is the only national university with an American studies program.

III. 1987 PLANS

The 1987 estimate for American Republics programs totals $29,729,400. This amount is part of the overall 1987 budget level proposed by the Administration to enable USIA to consolidate the rebuilding and enhancement of the Agency's program capabilities accomplished or planned prior to the 1986 reductions required by the Balanced Budget and Emergency Deficit Control Act of 1985. In recognition of this, the 1986 cuts will be accommodated largely through deferrals and one-time reductions.

This document reflects a uniform application of the overall 4.3 per cent reduction to each major program activity. However, the Agency is still assessing the impact of an overall 4.3 per cent reduction in the Salaries and Expenses account, and we expect that the reduction will not be applied evenly to all elements in order to avoid especially disruptive effects on staff, facilities, and certain programs. An approximate cut of that magnitude in American Republics would require the following types of illustrative reductions: binational center support; fewer English teaching and library programs related to the Central American initiative; regional book program support; foreign national employee training; cultural and informational programming, such as Amparts, performing arts groups, outreach, exhibits, exchanges, etc.; and replacement of equipment and other program materials and supplies.

The increase of $2,412,237 is requested to consolidate and continue programs at levels established under the 1986 Appropriations Act (P.L. 99-180). The funds will provide for overseas wage-scale and price increases and other built-in changes, including adjustments to sustain programs affected in 1986 by reductions under the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177).

AMERICAN REPUBLICS PROGRAM

The "Program Activity Costs" displayed in the justifications that follow consist of local operating costs and program materials and services acquired or produced in direct support of the overseas missions' programs by the Bureaus of the Voice of America, Educational and Cultural Affairs, Programs, and Management and the Television and Film Service in Washington from funds allocated by the posts for this purpose. In addition, the Department of State provides administrative support services to the overseas missions on a reimbursable basis, detailed estimates for which are contained in the Administrative Support from Other Agencies section of this budget.

1540

AMERICAN REPUBLICS PROGRAM

Summary of Requirements

	1985 Actual	Revised 1986 Estimate	Revised 1987 Estimate	Revised Increase or Decrease (-)	Page Ref.
POSITIONS:					
Domestic	21	21	21	--	
Overseas American	133	134	134	--	
Foreign National	584	587	587	--	
Total, Positions	738	742	742	--	8-7
FUNDS:					
A. Domestic Employee Compensation and Benefits	$ 923,394	$ 948,225	$ 949,668	$ 1,443	8-5
B. Overseas American Employee Compensation & Benefits	7,809,413	7,957,586	8,018,457	60,871	8-5
C. Foreign National Employee Compensation & Benefits	7,268,021	7,722,066	8,633,456	911,390	8-6
D. Program Activity Costs:					
1. Radio	272,909	284,890	291,480	6,590	8-8
2. Press and Publications	1,474,217	1,326,534	1,358,100	31,566	8-8
3. Television and Films	514,252	454,480	451,529	-2,951	8-9
4. American Centers and Related Activities	3,522,891	3,877,276	3,986,937	109,661	8-9
5. Binational Centers	1,212,895	1,081,698	1,116,173	34,475	8-10
6. Program Direction	381,040	374,857	409,235	34,378	8-11
7. Other Program Expenses	4,462,664	4,617,515	4,614,912	-2,603	8-11
Sub-total, Activity Costs	11,840,868	12,017,250	12,228,366	211,116	
Total, Gross Funds	27,841,696	28,645,127	29,829,947	1,184,820	
E. Deduct Reimbursements	-106,642	-100,547	-100,547	--	
Total, Direct Funds	27,735,054	28,544,580	29,729,400	1,184,820	
F. Reduction Pursuant to P.L. 99-177	XXX	-874,000	--	874,000	
Revised and Estimated Appropriations	XXX	27,670,580	29,729,400	2,058,820	

AMERICAN REPUBLICS PROGRAM

A. Domestic Employee Compensation and Benefits (1985 Actual, $923,394; 1986 Estimate, $948,225; 1987 Estimate, $949,668; Increase, $1,443).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Positions	21	21	21	--
Salary and direct benefit costs	$923,394	$948,225	$949,668	$1,443

The increase of $1,443 is requested to provide $286 for annualization of FICA rate increases and $1,157 for within-grade salary increases in 1987.

B. Overseas American Employee Compensation and Benefits (1985 Actual, $7,809,413; 1986 Estimate, $7,957,586; 1987 Estimate, $8,018,457; Increase, $60,871).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Positions	133	134	134	--
1. Salary and direct benefit costs	$6,879,082	$6,936,207	$6,970,360	$34,153
2. Hardship post differentials	344,289	392,683	392,683	--
3. Foreign Service allowances	522,275	563,116	584,570	21,454
4. Rest and recuperation travel	63,767	65,580	70,844	5,264
Total	7,809,413	7,957,586	8,018,457	60,871

The increase of $60,871 is requested to provide:

a. $2,338 for annualization of FICA rate increases;
b. $9,073 for within-grade salary increases in 1987;
c. $25,342 for full-year salary costs ($22,742) and Foreign Service allowances ($2,600) for one position added in 1986 in Argentina related to the opening of the branch post in Cordoba;
d. $18,854 for anticipated cost increases for Foreign Service Allowances; and
e. $5,264 for anticipated cost increases for rest and recuperation travel.

AMERICAN REPUBLICS PROGRAM

C. Foreign National Employee Compensation and Benefits (1985 Actual, $7,268,021; 1986 Estimate, $7,722,066; 1987 Estimate, $8,633,456; Increase, $911,390).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Positions	584	587	587	--
Salary and direct benefit costs	$7,268,021	$7,722,066	$8,633,456	$911,390

The increase of $911,390 is requested to provide:

a. $878,416 for foreign national employee wage-scale increases, consisting of $370,506 for increases effective for part of 1986 and $507,910 for increases anticipated in 1987;
b. $21,974 for within-grade salary increases in 1987; and
c. $11,000 for full-year costs of three positions added in 1986 in Argentina related to the opening of the branch post in Cordoba.

1543

AMERICAN REPUBLICS PROGRAM

Domestic, overseas American and foreign national employee compensation and benefits provide for positions in the Area as follows:

	1985 Actual			1986 Estimate			1987 Estimate		
	American	Foreign National	Total	American	Foreign National	Total	American	Foreign National	Total
Domestic	21	--	21	21	--	21	21	--	21
Country									
Argentina	7	38	45	8	41	49	8	41	49
Bahamas	1	3	4	1	3	4	1	3	4
Barbados	4	10	14	4	10	14	4	10	14
Bolivia	3	22	25	3	22	25	3	22	25
Brazil	27	117	144	27	117	144	27	117	144
Chile	5	29	34	5	29	34	5	29	34
Colombia	7	39	46	7	39	46	7	39	46
Costa Rica	5	12	17	5	12	17	5	12	17
Cuba	1	--	1	1	--	1	1	--	1
Dominican Republic	4	10	14	4	10	14	4	10	14
Ecuador	4	23	27	4	23	27	4	23	27
El Salvador	4	11	15	4	11	15	4	11	15
Guatemala	5	16	21	5	16	21	5	16	21
Guyana	2	8	10	2	8	10	2	8	10
Haiti	2	9	11	2	9	11	2	9	11
Honduras	4	11	15	4	11	15	4	11	15
Jamaica	2	8	10	2	8	10	2	8	10
Mexico	16	82	98	16	82	98	16	82	98
Nicaragua	2	10	12	2	10	12	2	10	12
Panama	4	23	27	4	23	27	4	23	27
Paraguay	3	9	12	3	9	12	3	9	12
Peru	6	29	35	6	29	35	6	29	35
Surinam	1	4	5	1	4	5	1	4	5
Trinidad	1	8	9	1	8	9	1	8	9
Uruguay	4	24	28	4	24	28	4	24	28
Venezuela	9	29	38	9	29	38	9	29	38
Sub-total, Country	133	584	717	134	587	721	134	587	721
Total, Positions	154	584	738	155	587	742	155	587	742

D. Program Activity Costs (1985 Actual, $11,840,868; 1986 Estimate, $12,017,250; 1987 Estimate, $12,228,366; Increase, $211,116).

Program activity costs derive from the following: radio, press and publications, television and films, American centers and related activities, binational centers, program direction, and other program expenses. The estimates for each of these activities are shown below in detail, and consist of local operating costs and the costs of program materials and services acquired or produced in Washington. (See "Overseas Missions Operations Summary," Section 4 of the S&E budget, for a general description of the nature of each of these activities.)

1. Radio Activities (1985 Actual, $272,909; 1986 Estimate, $284,890; 1987 Estimate, $291,480; Increase, $6,590).

This program activity consists of the production and adaptation of radio programs, including VOA package programs and music transcription libraries, for placement on local stations; promotion of VOA broadcasts; and the purchase of radio supplies, equipment, and maintenance services. The increase of $6,590 in 1987 is requested to provide $5,590 for cost increases for services, materials and international shipping, and $1,000 for full-year costs of program funds related to the opening of the branch post in 1986 in Cordoba, Argentina.

2. Press and Publications Activities (1985 Actual, $1,474,217; 1986 Estimate, $1,326,534; 1987 Estimate, $1,358,100; Increase, $31,566).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
a. Periodicals	$ 267,202	$ 259,761	$ 265,435	$ 5,674
b. Information placement	540,795	501,349	518,650	17,301
c. Pamphlets and leaflets	264,599	222,003	226,017	4,014
d. Materials and equipment	401,621	343,421	347,998	4,577
Total	1,474,217	1,326,534	1,358,100	31,566

This program activity consists of: (a) production and distribution of periodicals; (b) reception and placement of the Agency's Wireless File and other informational materials (special articles, features, reprints, and photos) with local publications and radio and television stations; (c) production and distribution of pamphlets, leaflets, posters, and photo displays; and (d) purchase of paper, supplies, equipment and related materials required to support these activities.

The increase of $31,566 in 1987 is requested to provide $27,066 for cost increases for postage, printing, procurement of paper, equipment, materials and supplies and international shipping, and $4,500 for full-year costs of program funds related to the opening of the branch post in 1986 in Cordoba, Argentina.

AMERICAN REPUBLICS PROGRAM

3. Television and Film Activities (1985 Actual, $514,252; 1986 Estimate, $454,480; 1987 Estimate, $451,529; Decrease, $-2,951).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
a. Production and adaptation	$205,359	$183,909	$187,586	$ 3,677
b. Distribution and promotion	32,615	24,941	25,785	844
c. Audio-visual equipment and maintenance	276,278	245,630	238,158	-7,472
Total	514,252	454,480	451,529	-2,951

This program activity consists of: (a) acquisition, production, and adaptation of television and film programs for placement by the posts, including language versions and release prints; (b) distribution, exhibition, promotion, travel and other costs incurred in reaching selected audiences; and (c) purchase and shipment of projectors and parts, screens, videotape equipment, rawstock, maintenance supplies, and other audio-visual materials.

The net decrease of $2,951 results from non-recurring one-time costs of $12,000 incurred in 1986 related to the opening of the branch post in Cordoba, Argentina. This decrease is offset, in part, by $3,000 for full-year costs of program funds related to the Cordoba branch post, and $6,049 to cover cost increases for services, procurement of supplies, materials and equipment and international shipping.

4. American Centers and Related Activities (1985 Actual, $3,522,891; 1986 Estimate, $3,877,276; 1987 Estimate, $3,986,937; Increase, $109,661).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
a. American center operations	$1,975,305	$2,124,740	$2,192,154	$ 67,414
b. Book programs	382,629	411,276	415,102	3,826
c. Exhibits	140,287	115,479	118,438	2,959
d. Presentations	81,977	75,615	77,349	1,734
e. English teaching	81,482	149,949	155,481	5,532
f. Lectures, seminars and other programs	861,211	1,000,217	1,028,413	28,196
Total	3,522,891	3,877,276	3,986,937	109,661

AMERICAN REPUBLICS PROGRAM

In each city, where the local situation permits, the American center operates as the focus of coordinated and targeted post programming. This program activity consists of: (a) operating, support, and space costs for 11 American centers and two reading rooms; (b) book publication, translation and distribution costs; (c) production and display of small-scale exhibits; (d) purchase and presentation of books and magazines to carefully selected government officials, educators, opinion leaders, schools, and other groups and institutions; (e) English-teaching activities, including seminars and programs designed to encourage the use of American-oriented teaching aids and contractual arrangements for English-teaching programs; and (f) other cultural and communication programs, including Agency-sponsored lectures, seminars, concerts, workshops and similar functions; promotion of events under the special Cultural Presentations Program; and local support of the Exchange-of-Persons Programs and similar privately-sponsored programs. These activities are designed to promote wide appreciation of America's cultural, political, economic, and scientific achievements.

The net increase of $109,661 is requested to provide:

a. $25,000 to complete the renovation of the offices/center in Panama City, Panama ($125,000) offset, in part, by non-recurring costs incurred in 1986 for this project ($100,000);
b. $40,000 for renovation/refurbishment of the offices in Buenos Aires, Argentina;
c. $21,000 for renovation/refurbishment of the offices in Asuncion, Paraguay;
d. $4,900 for full-year costs of program funds related to the opening of the branch post in 1986 in Cordoba, Argentina ($10,000) offset, in part, by non-recurring one-time costs incurred in 1986 ($5,100); and
e. $93,761 for anticipated cost increases for services, rents, utilities, contractual services, transportation, international shipping, and procurement of supplies and materials.

These increases are offset, in part, by the following non-recurring costs:

a. $48,000 for renovation and expansion of the Lincoln Center in Buenos Aires, Argentina;
b. $17,000 for renovation and expansion of the offices in Sao Paulo, Brazil;
c. $7,000 for relocation of the offices/center in Port of Spain, Trinidad; and
d. $3,000 for renovation/refurbishment of the offices in Nassau, Bahamas.

5. Binational Center Assistance (1985 Actual, $1,212,895; 1986 Estimate, $1,081,698; 1987 Estimate, $1,116,173; Increase, $34,475).

These funds provide for Agency assistance to binational center organizations in 18 American Republics countries. The funds are used to support operating expenses of the centers and special activities undertaken by the centers in support of Agency programs. In addition, a total of seven American officers are assigned to selected class "A" binational center organizations in seven countries. Salary and allowance costs for these positions are included under "Overseas American Employee Compensation and Benefits". The increase of $34,475 in 1987 is requested to cover cost increases for locally procured services, supplies and materials.

6. Program Direction (1985 Actual, $381,040; 1986 Estimate, $374,857; 1987 Estimate, $409,235; Increase, $34,378).

These funds provide for travel by the Area Director and his staff; workshops and conference travel; travel within each country by the Public Affairs Officers and their staffs to supervise and direct post activities; the procurement of reference books, magazines, and newspapers for staff use; and travel and other expenses for local research activities.

The increase of $34,378 in 1987 is requested to provide $32,878 for cost increases for international air fares and locally procured services and materials, and $1,500 for full-year costs of program funds related to the opening of the branch post in 1986 in Cordoba, Argentina.

7. Other Program Expenses (1985 Actual, $4,462,664; 1986 Estimate, $4,617,515; 1987 Estimate, $4,614,912; Decrease, $-2,603).

These funds provide for residential and non-residential space costs, cleaning and custodial services, vehicle purchase and operations, purchase of furniture, supplies and equipment, communication costs, and related expenses to support post programs.

The net decrease of $2,603 results from the following non-recurring costs:

a. $103,500 for non-recurring start-up costs incurred in 1986 related to the opening of the branch post in Cordoba, Argentina ($127,900) offset, in part, by full-year costs for office/residential rent and utilities, vehicle operations and other miscellaneous program expenses ($24,400); and
b. $101,665 for multi-year leases paid in 1986.

These decreases are offset, in part, by the following increases:

a. $134,062 for cost increases for office and residential lease renewals, utilities, international shipping and procurement of vehicles, supplies and materials; and
b. $68,500 for a multi-year lease payment due in 1987.

1548

AMERICAN REPUBLICS PROGRAM

Recapitulation of Costs by Country and Area-Wide Costs

	1985 Actual	Revised 1986 Estimate	Revised 1987 Estimate	Revised Increase or Decrease (-)
POSITIONS:				
Domestic	21	21	21	--
Overseas American	133	134	134	--
Foreign National	584	587	587	--
Total, Positions	738	742	742	--
COSTS BUDGETED BY COUNTRY:				
Argentina	$ 1,198,691	$ 1,154,213	$ 1,437,401	$ 283,188
Bahamas	220,879	207,035	201,734	-5,301
Barbados	578,813	578,712	614,464	35,752
Bolivia	538,101	763,089	903,869	140,780
Brazil	3,978,932	4,377,193	4,756,781	379,588
Chile	1,259,588	1,036,792	1,131,233	94,441
Colombia	1,319,485	988,852	1,152,459	163,607
Costa Rica	445,683	430,075	492,709	62,634
Cuba	69,390	53,627	46,523	-7,104
Dominican Republic	413,188	405,094	451,514	46,420
Ecuador	655,237	689,424	793,260	103,836
El Salvador	378,497	374,790	417,735	42,945
Guatemala	449,919	382,259	414,605	32,346
Guyana	301,723	263,482	301,738	38,256
Haiti	375,973	427,713	464,907	37,194
Honduras	614,213	626,171	664,145	37,974
Jamaica	253,361	235,080	256,107	21,027
Mexico	1,710,318	1,626,944	1,736,344	109,400
Nicaragua	302,572	243,618	289,181	45,563
Panama	909,579	1,014,785	1,112,199	97,414
Paraguay	211,148	221,932	272,593	50,661
Peru	680,678	605,789	639,488	33,699
Surinam	202,787	236,694	259,276	22,582
Trinidad	556,746	543,994	570,734	26,740
Uruguay	609,319	554,060	590,345	36,285
Venezuela	805,277	777,757	879,845	102,088
Sub-total, Country Costs	19,040,097	18,819,174	20,851,189	2,032,015

AMERICAN REPUBLICS PROGRAM

Recapitulation of Costs by Country and Area-Wide Costs (Continued)

	1985 Actual	Revised 1986 Estimate	Revised 1987 Estimate	Revised Increase or Decrease (-)
AREA-WIDE COSTS:				
Area-Wide Program Funds..................................	$ 654,834	$ 674,838	$ 688,789	$ 13,951
Domestic Employee Compensation and Benefits............	923,394	948,225	949,668	1,443
Overseas American Employee Compensation & Benefits a/..	7,223,371	7,328,890	7,340,301	11,411
Sub-total, Area-Wide Costs............................	8,801,599	8,951,953	8,978,758	26,805
Total, Gross Funds	27,841,696	27,771,127	29,829,947	2,058,820
Deduct Reimbursements....................................	-106,642	-100,547	-100,547	--
Total, Direct Funds.............................	27,735,054	27,670,580	29,729,400	2,058,820

a/ Excludes Foreign Service allowances and rest and recuperation travel paid at posts and included in above country costs.

WEST EUROPEAN PROGRAM

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Summary of Requirements................................	$36,657,125	$40,009,730	$42,981,200	$2,971,470

General Statement

I. SUMMARY

The budget for Western Europe covers 23 country programs and seven regional offices. Included are 26 American centers, one binational center, and one reading room. These operations will be directed by a domestic staff of 16 and by 160 overseas American and 615 foreign national employees in 1987. The increase of $2,971,470 requested in 1987 will provide for overseas wage-scale and price increases, renovation of the USIS Vienna Library - Amerika Haus, and other built-in changes required to consolidate and continue programs at levels established under the 1986 Appropriation Act (P.L. 99-180).

II. 1985 and 1986 PROGRAMS

European fears that the U.S. was seeking military superiority over the Soviet Union gave way in 1985 to widespread recognition that the President's defense buildup was instrumental in bringing the Soviets back to the bargaining table in Geneva that they had abandoned in 1983. The beginning of the Nuclear and Space Arms Talks in Geneva in March 1985 made arms control, along with the President's Strategic Defense Initiative, the dual focus of Agency activities in support of U.S. security policy in Western Europe. Three times the Agency fielded special teams to provide press support for U.S./Soviet meetings in Geneva which had attracted the attention of the world. The January 1985 Shultz/Gromyko meeting, the opening session of the Geneva Talks in March, and the President's own meeting with General Secretary Gorbachev in November -- when Director Wick himself coordinated the Agency's activities from Geneva -- were the centerpieces of Agency support for U.S. security policy and East/West programming in Europe in 1985. In April 1985, the daily WORLDNET feed to Western European posts made possible regularly scheduled interactive telepress conferences for European journalists with Washington policymakers. Secretaries Shultz and Weinberger, former National Security Advisor McFarlane, Senator Lugar and Representative Fascell, Ambassador Nitze, General Abrahamson and SACLANT Admiral MacDonald all appeared on WORLDNET in the course of 1985 to discuss U.S. foreign policy, security issues and arms control with European opinion makers. In the immediate period preceding the President's Geneva Meeting, when Soviet briefers had already arrived there to background Western journalists, Secretary Shultz used a WORLDNET telepress conference to put America's message simultaneously before the world press in Geneva, three European capitals and Tokyo. The Agency organized regional conferences in Europe on arms control (in Berlin in April 1985), the scientific aspects of the SDI research program (in Brussels in May 1985), on current issues in NATO (in Brussels in September 1985), on Security and Defense Technology (in Lisbon in February 1986) and on high technology, economics and security in the Atlantic Alliance (in Brussels in February 1986). We facilitated visits here by journalists and parliamentarians for high level briefings by U.S. officials and security specialists.

WEST EUROPEAN PROGRAM

II. 1985 AND 1986 PROGRAMS (continued)

Particularly noteworthy in this effort was the September 1985 multi-national tour on SDI for European journalists. The Agency continued to develop and distribute publications on arms control and security issues and to provide speakers for seminars, lectures and media interviews in Europe. USIA's Office of Research conducted a series of public opinion polls in support of the Agency's mandate to advise the Executive Branch and other departments about European attitudes on SDI, arms control issues, and other foreign policy issues.

During the period preceding the President's Geneva Meeting, the Agency's Office of Research and Office of European Affairs reported on public opinion trends in Europe to the White House, the NSC and the State Department. The optimism in Europe resulting from the President's successful Geneva Meeting has added impetus to U.S. efforts to establish a constructive and mutually beneficial relationship with the Soviet Union. As we look forward to the next meeting between the President and Mr. Gorbachev, the Agency will gear programs and products in West Europe to reflect the President's continuing broad agenda for U.S./Soviet relations, with special consideration for regional issues and human rights concerns as well as arms control and bilateral issues. Agency planning for the President's meeting with General Secretary Gorbachev in the U.S. in 1986 was begun soon after the completion of the Geneva Meeting.

The Agency has been deeply involved in supporting recent international economic summit conferences which focused on addressing Atlantic Alliance conflicts arising from differing national economic conditions and divergent financial and trade policies. The Economic Summit in Bonn in May 1985 required extensive support by all Agency media, and so will the upcoming conference in Tokyo in May 1986. The concerns of European Summit partners over serious joblessness, growing debts, high taxation and high interest rates in their countries, and over the effect on them of the U.S. Federal deficit and U.S. monetary and trade policies will keep interest in these potentially Alliance-weakening economic concerns high through the rest of 1986.

U.S. policies in Central America continue to concern European publics, despite growing disaffection in Europe for the Sandinista regime and its clear failure to adhere to democratic practices and principles. Two WORLDNET telepress conferences on this issue to West Europe in 1985 plus personal appearances by senior administration spokespersons in a variety of European fora, and issuance of documentary materials have contributed to explaining U.S. policy objectives. The Agency and our European posts provided public affairs support for substantive visits to Europe in the Fall of 1985 by Ambassador Otto Reich, Dr. Constantin Menges and Assistant Secretary of State William Walker. With Agency support, the University of Miami organized conferences on Central America in Madrid and London in June 1985. Another scholarly conference is planned for the Spring of 1986. Key U.S. documents, such as "The Soviet-Cuban Connection in Central America and the Caribbean" as well as policy-oriented articles from the Agency's Wireless File, were disseminated in language versions as well as in English. Agency officers from nine key West European posts went to Central America on a fact-finding tour in December 1985, the second of a series of orientation tours that enable our officers in Europe to discuss Central American issues with the credibility that comes from first-hand experience.

II. 1985 AND 1986 PROGRAMS (continued)

All of the issues affecting U.S.-European relations must be presented in the context of American societal change and the U.S. political, economic and social systems. The WORLDNET daily feed to European posts is now received in nineteen cities in Western Europe. European cable TV provides a mass outlet for WORLDNET daily programs which portray American society. In 1985 and 1986 WORLDNET interactive programs to Europe also have explored with specialist audiences such topics as artificial heart implantation, artificial intelligence, tourism promotion, cancer research, museum outreach programs, American broadcasting, American films and American history.

The Agency will continue exchange programs involving European officials, media representatives, educators and students; continue International Visitor programs; strengthen American Studies efforts in Europe, and study European textbooks with an aim to gaining better balance and a fairer picture of American society where such a need is detected.

In 1985 the EU Area expanded its personnel and resource base for improved contact with Europeans. A small post, staffed by one American officer and two foreign national employees, was opened in the Vatican to bolster public diplomacy efforts at the fledgling U.S. Embassy there. The Deputy Public Affairs Officer position in London was reestablished. This position was eliminated during a reduction in Agency resources some years ago. Its return has had a measurable, positive effect on this extremely active and important post in the conduct of its considerable public diplomacy responsibilities. A USIA officer was appointed Public Affairs Advisor to the U.S. Delegation to the Nuclear Space Talks in Geneva. One American officer each was added to the USIS staffs in Bonn, Brussels and Rome in response to enhanced cultural activities, particularly in the exchanges area, and other program opportunities. As the last step in the major effort begun in 1984 to increase our activities in Spain, an Assistant Information Officer and a foreign national position were added to the staff in Madrid. Other 1985 increases included the addition of 10 foreign national positions: three for Bonn, two of these to work in the Cultural Section where heightened exchanges activity and other programs have strained staff resources, and the other position to reestablish one of several positions previously eliminated; one position for USIS Italy in Genoa; one foreign national position each for Athens, The Hague and Vienna to work on exchanges activities; one program assistant position for Malta to bolster an operation that was understaffed; an Information Assistant for USIS London; and an assistant to the English Teaching Officer in Ankara.

In 1986, an American position has been added to USIS The Hague in recognition of the increased programming requirements and opportunities in The Netherlands. One each foreign national position has been added to the Cultural Sections at USIS Lisbon and Vienna. Two foreign national positions have been added to the complement of USIS Italy, one for Florence and one for Palermo. With the change in status of the U.S. from an active participant to that of an observer nation at UNESCO, the Public Affairs Advisor position attached to the U.S. Mission to UNESCO was transferred to the Information Section of USIS Paris, which had been understaffed to meet all of its various responsibilities. USIS Paris has assumed responsibility for providing whatever residual public affairs support is required to meet continuing U.S. interests in UNESCO activities. In reassessing priorities, in the wake of the Geneva meeting between President Reagan and General-Secretary Gorbachev, a decision was made to reprogram the Information Officer position at USIS/USIO Geneva to that of Branch Public Affairs Officer in Leningrad.

WEST EUROPEAN PROGRAM

III. 1987 PLANS

Continuing strong support for the Alliance, East/West relations, arms reduction, SDI, Central America, worldwide economic concerns, human rights and regional issues will continue as areas of highest priority Agency concentration. The major focal point for some of these long-term, potentially confrontational issues will be the President's two planned meetings with General Secretary Gorbachev in the United States in 1986 and in Moscow in 1987. The Agency's efforts to explain U.S. goals and policies, particularly to those assuming decision-making roles and influencing public opinion and attitudes who represent the "successor generation" of Europeans, will continue. Maintaining the direct dialogue that has been established between U.S. senior-level officials and European opinion-makers through satellited live TV press conferences via WORLDNET is a priority. Maximiz[illegible] the benefits of briefings in the United States for visiting Europeans, International Visitor and educational exchange progr[illegible]d participation in post-originated seminars, conferences, and performing and creative arts activities by outstanding Ameri[illegible] will require innovative application of Agency resources for the greatest cost effectiveness.

The 1987 estimate for West European programs totals $42,981,200. This amount is part of the overall 1987 budget level proposed by the Administration to enable USIA to consolidate the rebuilding and enhancement of the Agency's program capabilities accomplished or planned prior to the 1986 reductions required by the Balanced Budget and Emergency Deficit Control Act of 1985. In recognition of this, the 1986 cuts will be accommodated largely through deferrals and one-time reductions.

This document reflects a uniform application of the overall 4.3 percent reduction to each major program activity. However, the Agency is still assessing the impact of an overall 4.3 percent reduction in the Salaries and Expenses account, and we expect that the reduction will not be applied evenly to all elements in order to avoid especially disruptive effects on staff, facilities, and certain programs. An approximate cut of that magnitude in West Europe would require the following types of illustrative reductions: deferral of 1986 program enhancements in The Netherlands, Austria, Italy, and Portugal, reductions in equipment and supply purchases, foreign national employee training, curtailment of travel and other program activity funding directly related to radio, press and publications, television and films, American centers and related programming.

The increase of $2,971,470 is requested to consolidate and continue programs at levels established under the 1986 Appropriations Act (P.L. 99-180). The funds will provide for overseas wage-scale and price increases and other built-in changes, including adjustments to sustain programs affected in 1986 by reductions under the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177).

The "Program Activity Costs" displayed in the justifications that follow consist of local operating costs and program materials and services acquired or produced in direct support of the overseas missions' programs by the Bureaus of the Voice of America, Educatonal and Cultural Affairs, Programs, and Management and the Television and Film Service in Washington from funds allocated by the posts for this purpose. In addition, the Department of State provides administrative support services to the overseas missions on a reimbursable basis, detailed for which are contained in the Administrative Support from Other Agencies section of this budget.

WEST EUROPEAN PROGRAM

Summary of Requirements

	1985 Actual	Revised 1986 Estimate	Revised 1987 Estimate	Revised Increase or Decrease (-)	Page Ref.
POSITIONS:					
Domestic	16	16	16	--	
Overseas American	159	160	160	--	
Foreign National	611	615	615	--	
Total, Positions	786	791	791	--	9-8
FUNDS:					
A. Domestic Employee Compensation and Benefits	$ 782,376	$ 806,524	$ 807,634	$ 1,110	9-6
B. Overseas American Employee Compensation & Benefits	10,094,818	10,508,614	10,573,568	64,954	9-6
C. Foreign National Employee Compensation & Benefits	11,017,254	14,168,206	15,577,127	1,408,921	9-7
D. Program Activity Costs:					
1. Radio	37,874	32,749	34,068	1,319	9-9
2. Press and Publications	2,464,353	2,694,469	2,485,973	-208,496	9-9
3. Television and Films	395,338	708,035	442,877	-265,158	9-10
4. American Centers and Related Activities	6,564,687	6,882,807	6,890,979	8,172	9-10
5. Binational Centers	457,934	491,863	507,300	15,437	9-11
6. Program Direction	946,088	704,494	728,432	23,938	9-11
7. Other Program Expenses	3,993,709	4,859,689	4,983,242	123,553	9-12
Sub-Total, Activity Costs	14,859,983	16,374,106	16,072,871	-301,235	
Total, Gross Funds	36,754,431	41,857,450	43,031,200	1,173,750	
E. Deduct Reimbursements	-97,306	-50,000	-50,000	--	
Total, Direct Funds	36,657,125	41,807,450	42,981,200	1,173,750	
F. Reduction Pursuant to P.L. 99-177	XXX	-1,184,300	--	1,184,300	
Revised and Estimated Appropriations	XXX	40,623,150	42,981,200	2,358,050	

WEST EUROPEAN PROGRAM

A. Domestic Employee Compensation and benefits (1985 Actual, $782,376; 1986 Estimate, $806,524; 1987 Estimate, $807,634; Increase, $1,110).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Positions	16	16	16	--
Salary and Direct Benefit Costs	$782,376	$806,524	$807,634	$1,110

The net increase of $1,110 in 1987 is requested to provide $866 for within-grade salary increases, and $244 for full-year costs of FICA rate increases.

B. Overseas American Employee Compensation and Benefits (1985 Actual, $10,094,818; 1986 Estimate, $10,508,614; 1987 Estimate, $10,573,568; Increase, $64,954).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Positions	159	160	160	
1. Salary and Direct Benefit Costs	$ 8,960,774	$ 9,394,804	$ 9,427,080	$32,276
2. Hardship Post Differentials	44,773	51,240	51,240	--
3. Foreign Service Allowances	1,067,718	1,025,983	1,057,376	31,393
4. Rest and Recuperation Travel	21,553	36,587	37,872	1,285
Total	10,094,818	10,508,614	10,573,568	64,954

The net increase of $64,954 in 1987 is requested to provide $10,835 for within-grade salary increases in 1987; $3,013 for full-year costs of FICA rate increases; $35,928 for Foreign Service Allowances and rest and recuperation travel cost increases; and $18,428 for full-year salary costs of one position added in 1986 in The Netherlands. This increase is partially offset by non-recurring costs of $3,250 for F.S. allowances paid in 1986.

WEST EUROPEAN PROGRAM

C. Foreign National Employee Compensation and Benefits (1985 Actual, $11,017,254; 1986 Estimate, $14,168,206; 1987 Estimate, $15,577,127; Increase, $1,408,921).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Positions..	611	615	615	--
Salary and Direct Benefit Costs....................	$11,017,254	$14,168,206	$15,577,127	$1,408,921

The net increase of $1,408,921 in 1987 is requested to provide:

a. $1,194,865 for foreign national employee wage-scale increases, consisting of $480,323 for the full-year cost of increases effective part of 1986, and $714,542 for increases anticipated in 1987;
b. $123,000 for within-grade salary increases;
c. $45,048 for full-year costs of four positions added in 1986 in Austria (1), Italy (2), and Portugal (1); and
d. $46,008 for full-year costs of exchange rate changes through November 30, 1985.

Domestic, Overseas American, and Foreign National Employee Compensation and Benefits provide for positions in the Area as follows:

WEST EUROPEAN PROGRAM

	1985 Actual			1986 Estimate			1987 Estimate		
	American	Foreign National	Total	American	Foreign National	Total	American	Foreign National	Total
Domestic Program Direction..............	16	—	16	16	—	16	16	—	16
Country and Regional Elements									
Austria..................................	5	17	22	5	18	23	5	18	23
Belgium..................................	6	18	24	6	18	24	6	18	24
Canada...................................	6	13	19	6	13	19	6	13	19
Cyprus...................................	2	8	10	2	8	10	2	8	10
Denmark..................................	3	12	15	3	12	15	3	12	15
Finland..................................	4	18	22	4	18	22	4	18	22
France...................................	13	54	67	14	54	68	14	54	68
German Federal Republic (incl. W. Berlin)	29	146	175	29	146	175	29	146	175
Greece...................................	7	40	47	7	40	47	7	40	47
Iceland..................................	2	6	8	2	6	8	2	6	8
Ireland..................................	1	3	4	1	3	4	1	3	4
Italy....................................	18	68	86	18	70	88	18	70	88
Luxembourg...............................	—	1	1	—	1	1	—	1	1
Malta....................................	1	5	6	1	5	6	1	5	6
Netherlands..............................	4	13	17	5	13	18	5	13	18
Norway...................................	3	11	14	3	11	14	3	11	14
Portugal.................................	4	20	24	4	21	25	4	21	25
Spain....................................	12	43	55	12	43	55	12	43	55
Sweden...................................	4	16	20	4	16	20	4	16	20
Switzerland..............................	2	3	5	2	3	5	2	3	5
Turkey...................................	11	54	65	11	54	65	11	54	65
United Kingdom...........................	8	27	35	8	27	35	8	27	35
The Vatican..............................	1	2	3	1	2	3	1	2	3
RLOC Paris...............................	—	2	2	—	2	2	—	2	2
RRU London...............................	1	2	3	1	2	3	1	2	3
USIO Geneva..............................	3	5	8	2	5	7	2	5	7
USEC Brussels............................	2	4	6	2	4	6	2	4	6
USNATO Brussels..........................	6	—	6	6	—	6	6	—	6
USOECD Paris.............................	1	—	1	1	—	1	1	—	1
Sub-total, Country and Regional Elements	159	611	770	160	615	775	160	615	775
Total, Positions.....................	175	611	786	176	615	791	176	615	791

WEST EUROPEAN PROGRAM

D. Program Activity Costs (1985 Actual, $14,859,983; 1986 Estimate, $16,374,106; 1987 Estimate, $16,072,871; Decrease, $301,235).

Program activity costs derive from the following: radio, press and publications, television and films, American centers and related activities, binational centers, program direction, and other program expenses. The estimates for each of these activities are shown below in detail, and consist of local operating costs and the costs of program materials and services acquired or produced in Washington. (See "Overseas Missions Operations Summary," Section 4 of the S & E budget, for a general description of the nature of each of these activities.)

1. Radio Activities (1985 Actual, $37,874; 1986 Estimate, $32,749; 1987 Estimate, $34,068; Increase, $1,319).

This program activity consists of the production and adaptation of radio programs, including VOA package programs and music transcription libraries, for placement on local stations; promotion of VOA broadcasts; and the purchase of radio supplies, equipment, and maintenance services. The 1987 increase of $1,319 provides for increases in the costs of locally and Washington procured services, materials, supplies and equipment.

2. Press and Publications Activities (1985 Actual, $2,464,353; 1986 Estimate, $2,694,469; 1987 Estimate, $2,485,973; Decrease, $208,496).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
a. Periodicals	$ 330,877	$ 344,621	$ 356,528	$ 11,907
b. Information placement	1,633,398	1,945,639	1,706,797	-238,842
c. Pamphlets and leaflets	334,975	278,493	293,017	14,524
d. Materials and equipment	165,103	125,716	129,631	3,915
Total	2,464,353	2,694,469	2,485,973	-208,496

This program activity consists of: (a) production and distribution of periodicals in most West European countries; (b) reception and placement of the Agency's Wireless File and other informational materials (special articles, features, reprints, and photos) with local publications and radio and television stations; (c) production and distribution of pamphlets, leaflets, posters, and photo displays; and (d) purchase of paper, supplies, equipment and related materials required to support these activities. The net decrease of $208,496 in 1987 is due to non-recurring costs of $300,000 associated with the Gorbachev/Reagan Summit in Geneva, offset in part by increases for full-year and new cost increases for the procurement of services, equipment and materials ($91,504).

WEST EUROPEAN PROGRAM

3. Television and Film Activities (1985 Actual, $395,338; 1986 Estimate, $708,035; 1987 Estimate, $442,877; Decrease, $265,158).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
a. Production and adaptation..................	$ 179,591	$ 523,517	$ 254,553	$-268,964
b. Distribution and promotion..................	164,177	143,418	147,390	3,972
c. Audio-visual equipment and maintenance......	51,570	41,100	40,934	-166
Total....................................	395,338	708,035	442,877	-265,158

This program activity consists of: (a) acquisition, production, and adaptation of television and film programs for placement by the posts, including language versions and release prints; (b) distribution, exhibition, promotion, travel and other costs incurred in reaching selected audiences; and (c) purchase and shipment of projectors and parts, screens, videotape equipment, rawstock, maintenance supplies, and other audio-visual materials. The decrease of $265,158 in 1987 results from non-recurring costs of $289,000 for renovation of space in nine countries to facilitate WORLDNET programming, offset in part by increases of $23,842 for full-year and new cost increases for services & materials.

4. American Centers and Related Activities (1985 Actual, $6,564,687; 1986 Estimate, $6,882,807; 198 Estimate, $6,890,979; Increase, $8,172).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
a. American center operations..................	$3,906,413	$3,833,775	$3,731,590	$-102,185
b. Book programs................................	10,047	12,092	12,325	233
c. Exhibits.....................................	221,604	218,842	227,125	8,283
d. Presentations................................	95,485	74,477	78,246	3,769
e. English teaching.............................	147,066	149,386	153,923	4,537
f. Lectures, seminars, and other programs.......	2,184,072	2,594,235	2,687,770	93,535
Total....................................	6,564,687	6,882,807	6,890,979	8,172

WEST EUROPEAN PROGRAM

This program activity consists of: (a) operating, support, and space costs of 26 American centers and 1 reading room; (b) book publication, translation and distribution costs; (c) production and display of small-scale exhibits; (d) purchase and presentation of books and magazines to carefully selected government officials, educators, opinion leaders, schools, and other groups and institutions; (e) English-teaching activities, including seminars and programs designed to encourage the use of American-oriented teaching aids and contractual arrangements for English-teaching programs; and (f) other cultural and communication programs, including Agency-sponsored lectures, seminars, concerts, workshops and similar functions; promotion of events under the special Cultural Presentations Program; and local support of the Exchange-of-Persons Programs and similar privately-sponsored programs. These activities are designed to promote wide appreciation of America's cultural, political, economic, and scientific achievements.

The net increase of $8,172 in 1987 is requested to cover $242,020 for full-year and new cost increases in rents, utilities, supplies and contractual services for American centers; renovation/refurbishment costs of $100,000 in Austria; $13,800 for renewal of the Izmir Center lease; and $2,352 for other built-in costs. These increases are offset in part by non-recurring costs of $350,000 for renovation/refurbishment of the office and library space in Milan, Italy.

5. Binational Center Assistance (1985 Actual, $457,934; 1986 Estimate, $491,863; 1987 Estimate, $507,300; Increase, $15,437).

These funds provide for Agency assistance to binational center organizations in Germany, Greece, Italy, Spain and Turkey, including operating expenses of the centers and special activities undertaken by the center in support of Agency programs.

The increase of $15,437 in 1987 is requested to cover full-year and new price increases.

6. Program Direction (1985 Actual, $946,088; 1986 Estimate, $704,494; 1987 Estimate, $728,432; Increase, $23,938).

These funds provide for travel by the Area Director and his staff; workshops and conference travel; travel within each country by the Public Affairs Officers and their staffs to supervise and direct post activities; the procurement of reference books, magazines, and newspapers for staff use; and travel and other expenses for local research activities. The net increase of $23,938 in 1987 provides for increased costs of procuring materials and services ($21,438) and for other built-in costs ($2,500).

WEST EUROPEAN PROGRAM

7. Other Program Expenses (1985 Actual, $3,993,709; 1986 Estimate, $4,859,689; 1987 Estimate, $4,983,242; Increase, $123,553).

These funds provide for residential and non-residential space costs, cleaning and custodial services, vehicle purchase and operations, purchase of furniture, supplies and equipment, communication costs, and related expenses to support post programs.

The net increase of $123,553 in 1987 is requested to cover $161,273 for full-year and new inflationary cost increases, offset in part, by non-recurring costs of $37,720 associated with the 1986 program increase in The Netherlands.

WEST EUROPEAN PROGRAM

Recapitulation of Costs by Country and Area-Wide Costs

	1985 Actual	Revised 1986 Estimate	Revised 1987 Estimate	Revised Increase or Decrease (-)
POSITIONS				
Domestic	16	16	16	--
Overseas American	159	160	160	--
Foreign National	611	615	615	--
Total, Positions	786	791	791	--
COSTS BUDGETED BY COUNTRY				
Austria	$ 978,838	$ 980,935	$ 1,177,306	$ 196,371
Belgium	926,867	1,085,574	1,155,668	70,094
Canada	681,129	621,596	659,924	38,328
Cyprus	316,078	345,211	375,619	30,408
Denmark	544,984	610,037	663,734	53,697
Finland	877,127	976,825	1,055,242	78,417
France	2,704,723	3,224,734	3,519,547	294,813
German Federal Republic (incl. W. Berlin)	6,089,225	6,866,552	7,313,414	446,862
Greece	1,099,241	1,029,891	1,135,279	105,388
Iceland	331,316	394,115	433,763	39,648
Ireland	135,110	133,508	141,667	8,159
Italy	3,010,901	3,713,374	3,740,817	27,443
Luxembourg	40,966	48,986	51,332	2,346
Malta	113,670	122,815	127,814	4,999
Netherlands	554,876	684,312	725,259	40,947
Norway	545,631	602,866	650,801	47,935
Portugal	706,889	723,743	868,880	145,137
Spain	2,076,761	2,043,340	2,353,257	309,917
Sweden	645,243	729,366	783,956	54,590
Switzerland	229,763	219,937	234,094	14,157
Turkey	1,506,018	1,731,588	2,082,033	350,445
United Kingdom	1,132,632	1,294,885	1,415,372	120,487
The Vatican	128,656	230,561	242,630	12,069
Regional Library Outreach Center, Paris	135,207	154,547	165,827	11,280
Regional Resource Unit, London	90,515	102,605	109,367	6,762

WEST EUROPEAN PROGRAM

Recapitulation of Costs by Country and Area-Wide Costs

	1985 Actual	Revised 1986 Estimate	Revised 1987 Estimate	Revised Increase or Decrease (-)
COSTS BUDGETED BY COUNTRY (continued)				
USIO Geneva	$ 413,898	$ 734,295	$ 459,103	$ -275,192
USEC Brussels	265,070	276,269	297,928	21,659
USNATO Brussels	428,500	477,899	523,182	45,283
USOECD Paris	77,876	97,813	103,376	5,563
Sub-Total, Country Costs	26,787,710	30,258,179	32,566,191	2,308,012
AREA-WIDE COSTS				
Domestic Costs	782,376	806,524	807,634	1,110
American Employee Compensation and Direct Benefits a/	9,005,547	9,429,576	9,478,320	48,744
Regional Services	178,798	178,871	179,055	184
Sub-Total Area-Wide Costs	9,966,721	10,414,971	10,465,009	50,038
Total, Gross Funds	36,754,431	40,673,150	43,031,200	2,358,050
Deduct Reimbursements	-97,306	-50,000	-50,000	--
Total, Direct Funds	36,657,125	40,623,150	42,981,200	2,358,050

a/ Excludes Foreign Service Allowances and Rest and Recuperation travel paid at posts which are included in country costs.

SOVIET UNION AND EAST EUROPEAN PROGRAM

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Summary of Requirements................................	$12,240,149	$24,914,022	$16,939,500	$-7,974,522

General Statement

I. SUMMARY

The budget for this area covers operations in the Soviet Union, Yugoslavia and six East European countries. It also includes the Regional Program Office in Vienna and RIAS (Radio in the American Sector, Berlin). In 1987, these operations will be directed by a domestic staff of 15 and staffed by 69 overseas Americans and 171 foreign national employees. The net decrease of $7,974,522 in 1987 results from non-recurring costs of the proposed program supplemental in 1986 to establish television broadcasting for RIAS, offset in part by increases for built-in requirements for wage and cost increases, renovation of the American Center in Belgrade, refurnishing the library/office in Budapest, conversion of certain positions in the USSR filled by Soviet citizens to contract Americans, and other built-in changes required to consolidate and continue programs at levels established under the 1986 Appropriation Act (P.L. 99-180).

II. 1985 AND 1986 PROGRAMS

Programs in the Soviet Union and the other Warsaw Pact countries and in Yugoslavia serve to increase knowledge and understanding of U.S. policies and American society while seeking to instill an appreciation of American achievements in the sciences, arts, and humanities. Working with influential publics in these countries, our posts employ a variety of educational and cultural exchanges and informational activities to achieve these objectives. Our posts stress personal contact between their key audiences and U.S. specialists and direct experience with American ideas. Expert U.S. lecturers discuss American positions on security issues, economics, human rights, and education and cultural concerns. Strong emphasis is placed on efforts to expand and deepen individual contacts and involve more diverse elements of the host societies in post programming. Exhibits, films, the International Visitor program, and academic exchanges are among our most effective programming instruments.

SOVIET UNION AND EAST EUROPEAN PROGRAM

II. 1985 AND 1986 PROGRAMS (continued)

Specialist lecturers, and our USIA officers through personal contacts, seek to persuade our public audiences and host country government and party officials of America's dedication to peace and the easing of East-West tensions, as well as our efforts to achieve verifiable arms reductions. Stress is placed on developing an understanding of the foundations of American political, cultural and social institutions and an appreciation of the dynamism, creativity and opportunity that are hallmarks of our society and our system of government. Our officers and programs seek to counter the predominantly negative pictures of American society portrayed in the controlled media of the Soviet Union and Eastern Europe. In addition, we try to convey both directly and indirectly that the U.S. regards each of these countries as individual states, with their own national policies and aspirations, and that we welcome diversity in approaches to resolve issues of national and multinational concern.

A new general Exchanges Agreement between the United States and the Soviet Union concerning culture, education, science, and technology was signed on November 21, 1985 in Geneva by U.S. Secretary of State Shultz and Soviet Foreign Minister Shevardnadze. It is the first official Exchanges Agreement between the U.S. and the USSR since 1979. In addition, a week prior to the signing, President Reagan announced a series of bold initiatives to greatly expand people-to-people contact between the United States and the Soviet Union which were also reaffirmed at the Geneva meeting.

The Agreement calls for a resumption of performing arts exchanges and officially-sponsored thematic exhibitions and will result in a sharp rise in the USG profile in the Soviet Union. The Presidential Initiative seeks new programs in people-to-people contact between the two countries with expanded representation of age groups, geography and vocations.

An American Cultural Festival is planned to take place in the Soviet Union in late spring 1986, involving performing arts, fine arts, film showings and television.

Our exhibits programs in Eastern Europe and Yugoslavia continue to be a positive and effective tool for exposing large segments of the population in the capitals and in provincial cities to significant American achievements in artistic and cultural fields. From April to July 1985, the USIA exhibit "American Theater Today" attracted more than a quarter of a million people in the Romanian cities of Bucharest, Timisoara and Cluj. "Filmmaking in America" was seen by almost 100,000 people in Belgrade, Yugoslavia, before beginning showings for four provincial cities in Hungary, where it will reach thousands more. An exhibit produced by USIA's Regional Program Office in Vienna entitled "The Personal Computer Revolution in America" was the U.S. centerpiece at the annual Brno, Czechoslovakia, trade fair in September 1985. Over 100,000 visitors saw that exhibit.

II. 1985 AND 1986 PROGRAMS (continued)

In 1986 we plan two major program initiatives to enhance West Berlin's Radio in the American Sector (RIAS). The first will provide via TVSAT (European Communications Satellite) a strong, clear FM stereo radio signal to the German Democratic Republic (GDR) and other areas located within the TVSAT "footprint." The U.S. Government will be responsible for funding the installation of a cable terminal in 1986 for this project and for the transmissions in 1987 which are estimated to start by January 1, 1987.

USIA has also requested a supplemental appropriation of $12 million in FY 1986 to establish TV broadcasting by RIAS. This would enable us to communicate with audiences in both West and East Berlin and parts of the GDR via television, with all the advantages and immediacy which that medium provides. RIAS-TV would also be fed into West German cable systems, vastly increasing the potential audience initially by over two million households. RIAS-TV would follow the analogy of RIAS radio in funding and organization: The U.S. would provide capital investment for plant and equipment, and pay transmission costs on a continuing basis (transmission must be the responsibility of the USG in order to maintain the "American" status of the station), while the FRG Government would fund other station operations on a continuing basis. The FRG-funded costs are expected to be DM 50-60 million per year, or $20-24 million.

"Sovereignty" over RIAS-TV would remain in U.S. hands in accordance with the status of Berlin, and the Director and his Deputy would be USIA officers, as is now the case with RIAS-Radio. We propose to begin the RIAS-TV broadcasting by the start of July, 1987.

Other items of note emerging from agreements reached between President Reagan and General Secretary Gorbachev at the Geneva meeting are also included in the Agency's proposed FY 1986 supplemental appropriation. They include the opening of a post in Kiev (in conjunction with establishment of a U.S. consulate), staffed by an American officer and a secretary; an American position in Moscow to concentrate on the major exhibits program; and a position in the EU Area Office to work with the greatly expanded and intensified activity in support of the new program opportunities with the Soviet Union resulting from the Geneva talks.

One foreign national position has been added to the staff at the Regional Program Office in Vienna to provide technical assistance for the recently developed and highly successful videotape repeater programs utilized effectively by Eastern European posts in their street-side display cases.

III. 1987 PLANS

In addition to expanded academic and cultural exchanges with the Soviet Union, the first USIA thematic exhibit under the terms of the new Exchanges Agreement, which will focus on communication and information, is tentatively scheduled for March 1987.

III. 1987 PLANS (continued)

In the 1986-87 Program of Exchanges with Hungary, implementing the U.S.-Hungarian Agreement on Cultural, Educational and Scientific Exchanges, agreement was reached on increasing the Fulbright Program, including creation of a new program of exchange for post-graduate students from both countries.

"Filmmaking in America" will be shown in Romania, and possibly in Bulgaria, in 1987. A new exhibit, "Design in America," will open in Belgrade and then travel to three other cities in Yugoslavia.

The 1987 estimate for Soviet Union and East European programs totals $16,939,500. This amount is part of the overall 1987 budget level proposed by the Administration to enable USIA to consolidate the rebuilding and enhancement of the Agency's program capabilities accomplished or planned prior to the 1986 reductions required by the Balanced Budget and Emergency Deficit Control Act of 1985. In recognition of this, the 1986 cuts will be accommodated largely through deferrals and one-time reductions.

This document reflects a uniform application of the overall 4.3 percent reduction to each major program activity. However, the Agency is still assessing the impact of an overall 4.3 percent reduction in the Salaries and Expenses account, and we expect that the reduction will not be applied evenly to all elements in order to avoid especially disruptive effects on staff, facilities, and certain programs. An approximate cut of that magnitude would require the following types of illustrative reductions: curtailment of travel and other program activity funding directly related to radio, press and publications, television and films, American centers and related programming; reductions in equipment and supply purchases; and foreign national employee training.

The net decrease of $7,974,522 results from non-recurring costs of the proposed program supplemental in 1986 to establish television broadcasting for RIAS, offset in part by increases required to consolidate and continue programs at levels established under the 1986 Appropriations Act (P.L. 99-180). These latter funds will provide for overseas wage-scale and price increases, renovation of the American Center in Belgrade, refurnishing the library/office in Budapest, conversion of certain positions in the USSR filled by Soviet citizens to contract Americans, and other built-in changes, including adjustments to sustain programs affected in 1986 by reductions under the Balanced Budget and Emergency Defict Control Act of 1985 (P.L. 99-177).

The "Program Activity Costs" displayed in the justifications that follow consist of local operating costs and program materials and services acquired or produced in direct support of the overseas missions' programs by the Bureaus of the Voice of America, Educatonal and Cultural Affairs, Programs, and Management and the Television and Film Service in Washington from funds allocated by the posts for this purpose. Descriptions and costs for the trade fairs, cultural exchange exhibits and solo exhibits appear in the Program Coordination, Production, and Support section of the budget. In addition, the Department of State provides administrative support services to the overseas missions on a reimbursable basis, detailed for which are contained in the Administrative Support from Other Agencies section of this budget.

SOVIET UNION AND EAST EUROPEAN PROGRAM

Summary of Requirements

	1985 Actual	Revised 1986 Estimate a/	Revised 1987 Estimate	Revised Increase or Decrease (-)	Page Ref.
POSITIONS:					
Domestic	14	15	15	--	
Overseas American	65	69	69	--	
Foreign National	170	171	171	--	
Total, Positions	249	255	255	--	10-8
FUNDS:					
A. Domestic Employee Compensation and Benefits	$ 562,443	$ 592,893	$ 629,608	$ 36,715	10-6
B. Overseas American Employee Compensation & Benefits	3,551,563	3,741,182	3,875,122	133,940	10-6
C. Foreign National Employee Compensation & Benefits	1,589,588	2,204,206	3,099,951	895,745	10-7
D. Program Activity Costs:					
1. Radio	1,108,591	1,594,157	2,468,367	874,210	10-9
2. Press and Publications	1,662,378	1,732,064	1,779,952	47,888	10-9
3. Television and Films	157,371	12,190,822	1,384,105	-10,806,717	10-10
4. American Centers and Related Activities	1,906,500	1,964,151	2,213,845	249,694	10-10
5. Program Direction	183,637	195,936	210,263	14,327	10-11
6. Other Program Expenses	1,544,482	1,284,198	1,303,287	19,089	10-11
Sub-Total, Activity Costs	6,562,959	18,961,328	9,359,819	-9,601,509	
Total, Gross Funds (Comparative Basis)	12,266,553	25,499,609	16,964,500	-8,535,109	
E. Deduct Reimbursements	-26,404	-25,000	-25,000	--	
Total, Direct Funds (Comparative Basis)	12,240,149	25,474,609	16,939,500	-8,535,109	
F. Reduction Pursuant to P.L. 99-177	XXX	-385,700	--	385,700	
Revised and Estimated Appropriations (Comparative Basis)	XXX	25,088,909	16,939,500	-8,149,409	

a/ For comparative purposes, includes $141,705 and 25 positions in 1986 for programs in Poland that are transferred from the Special Foreign Currency Program appropriation. Also includes a proposed 1986 program supplemental appropriation of $12,296,000.

SOVIET UNION AND EAST EUROPEAN PROGRAM

A. Domestic Employee Compensation and Benefits (1985 Actual, $562,443; 1986 Estimate, $592,893; 1987 Estimate, $629,608; Increase, $36,715).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Positions..	14	15	15	--
Salary and Direct Benefit Costs..................	$562,443	$592,893	$629,608	$36,715

The net increase of $36,715 in 1987 is requested to provide $179 for full year cost of FICA rate increases; $729 for within-grade salary increases in 1987; and $35,807 for full-year salary costs of a new position added in 1986 to handle increased workload associated with the U.S./USSR cultural accords.

B. Overseas American Employee Compensation and Benefits (1985 Actual, $3,551,563; 1986 Estimate, $3,741,182; 1987 Estimate, $3,875,122; Increase, $133,940).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Positions..	65	69	69	--
1. Salary and Direct Benefit Costs...............	$ 3,169,436	$ 3,282,160	$ 3,388,860	$106,700
2. Hardship Post Differentials...................	165,247	193,797	211,932	18,135
3. Foreign Service Allowances....................	177,068	207,820	215,945	8,125
4. Rest and Recuperation Travel..................	39,812	57,405	58,385	980
Total....................................	3,551,563	3,741,182	3,875,122	133,940

The net increase of $133,940 in 1987 is requested to provide $1,109 for full-year cost of FICA rate increases; $4,672 for within-grade increases in 1987; $119,054 for full-year salary costs of positions added in 1986 in the USSR; $5,205 for Foreign Service Allowances and rest and recuperation travel cost increases; and $3,900 for other built-in costs.

SOVIET UNION AND EAST EUROPEAN PROGRAM

C. Foreign National Employee Compensation and Benefits (1985 Actual, $1,589,588; 1986 Estimate, $2,204,206; 1987 Estimate, $3,099,951; Increase, $895,745).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Positions..	170	171	171	--
Salary and Direct Benefit Costs......................	$1,589,588	$2,204,206	$3,099,951	$895,745

The net increase of $895,745 in 1987 is requested to provide $235,455 for foreign national employee wage-scale increases, consisting of $48,920 for the full-year cost of increases effective part of 1986 and $186,535 for increases anticipated in 1987; $34,200 for within-grade salary increases; $600,000 for conversion of certain positions for Agency operations in Moscow now filled by Soviet citizens to contract Americans as required by P.L. 99-93; and $20,782 for full year costs of one regular position added in 1986 for RPO Vienna and two contract employees added in 1986 for the new branch post in Kiev, USSR; and $5,308 for full year costs of exchange rate changes through November 30, 1985.

Domestic, Overseas Americans, and Foreign National Employees Compensation and Benefits provide for positions in the Area as follows:

SOVIET UNION AND EAST EUROPEAN PROGRAM

	1985 Actual			1986 Estimate			1987 Estimate		
	American	Foreign National	Total	American	Foreign National	Total	American	Foreign National	Total
Domestic Program Direction.............	14	—	14	15	—	15	15	--	15
Country and Regional Elements									
Bulgaria..............................	3	3	6	3	3	6	3	3	6
Czechoslovakia........................	3	7	10	3	7	10	3	7	10
German Democratic Republic............	3	-- a/	3	3	-- a/	3	3	-- a/	3
Hungary...............................	3	6	9	3	6	9	3	6	9
Poland................................	10	25	35	10	25	35	10	25	35
Romania...............................	6	16	22	6	16	22	6	16	22
U.S.S.R.	15	-- a/	15	19	-- a/	19	19	-- a/	19
Yugoslavia............................	15	70	85	15	70	85	15	70	85
Regional Program Office...............	5	43	48	5	44	49	5	44	49
RIAS..................................	2	—	2	2	—	2	2	—	2
Sub-total, Country and Regional Elements..........................	65	170	235	69	171	240	69	171	240
Total, Positions......................	79	170	249	84	171	255	84	171	255

a/ Special contractual employees.

SOVIET UNION AND EAST EUROPEAN PROGRAM

D. Program Activity Costs (1985 Actual, $6,562,959; 1986 Estimate, $18,961,328; 1987 Estimate, $9,359,819; Decrease, $9,601,509).

Program activity costs are derived from the following: radio, press and publications, television and films, American centers and related activities, program direction, and other program expenses. The estimates for each of these activities are shown below in detail, and consist of local operating costs and the costs of program materials and services acquired or produced in Washington. (See "Overseas Missions Operations Summary," Section 4 of the S & E budget, for a general description of the nature of each of these activities.)

1. Radio Activities (1985 Actual, $1,108,591; 1986 Estimate, $1,594,157; 1987 Estimate, $2,468,367; Increase, $874,210).

This activity funds the transmitter operations and maintenance costs for RIAS, the U.S. radio station in Berlin. It also provides for the production and adaptation of radio programs, including VOA package programs and music transcription libraries, for placement on local stations; promotion of VOA broadcasts; and the purchase of radio supplies, equipment, and maintenance services. The net increase of $874,210 requested in 1987 will provide $54,210 for the increased cost of materials and services projected for 1987 and $900,000 to cover transmission costs for a radio channel on the European Communications Satellite beginning January 1, 1987, which will give RIAS a good, clear FM stereo signal to the German Democratic Republic and other areas located within the TVSAT "footprint". These increases are partially offset by non-recurring costs of $80,000 for one-time equipment costs in 1986 to establish the RIAS FM stereo broadcast.

2. Press and Publications Activities (1985 Actual, $1,662,378; 1986 Estimate, $1,732,064; 1987 Estimate, $1,779,952; Increase, $47,888).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
a. Periodicals	$ 978,772	$1,097,341	$1,125,401	$ 28,060
b. Information Placement	195,428	207,012	212,825	5,813
c. Pamphlets and Leaflets	120,849	127,672	131,686	4,014
d. Materials and Equipment	367,329	300,039	310,040	10,001
Total	1,662,378	1,732,064	1,779,952	47,888

This program activity consists of: (a) production and distribution of periodicals; (b) reception and placement of the Agency's Wireless File and other informational materials (special articles, features, reprints, and photos) with local publications and radio and television stations; (c) production and distribution of pamphlets, leaflets, posters, and photo displays; and (d) purchase of paper, supplies, equipment and related materials required to support these activities. The Regional Program Office (RPO) in Austria produces window displays, small exhibits and various publications in language versions for distribution in the Soviet Union, Yugoslavia and East Europe. Inserts in six languages for the Agency's centrally produced magazine, Dialogue, are produced at RPO.

The 1987 increase will provide $47,888 for the impact of price increases on press and publications activities.

3. Television and Film Activities (1985 Actual, $157,371; 1986 Estimate, $12,190,822; 1987 Estimate, $1,384,105; Decrease, $10,806,717).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
a. Production and Adaptation....................	$ 72,680	$ 80,333	$ 82,981	$ 2,648
b. Distribution and Promotion..................	55,047	82,859	85,024	2,165
c. Audio-Visual Equipment and Maintenance.......	29,644	27,630	28,600	970
d. RIAS-TV Broadcasting........................	--	12,000,000	1,187,500	-10,812,500
Total.................................	157,371	12,190,822	1,384,105	-10,806,717

This program activity consists of: (a) acquisition, production, and adaptation of television and film programs for placement by the posts, including language versions and release prints; (b) distribution, exhibition, promotion, travel and other costs incurred in reaching selected audiences; (c) purchase and shipment of projectors and parts, screens, videotape equipment, rawstock, maintenance supplies, and other audio-visual materials; and (d) as proposed in the pending 1986 supplemental appropriation request, capital equipment costs in 1986 to establish RIAS television broadcasting and beginning in July 1987, the associated transmitter operations and maintenance and cable system costs.

The net decrease of $10,806,717 in 1987 represents non-recurring capital costs of $12,000,000 to establish RIAS television broadcasting, offset in part by increases of $1,187,500 for RIAS TV transmitter operations and maintenance and cable system costs and $5,783 for anticipated cost increases projected for 1987.

4. American Centers and Related Activities (1985 Actual, $1,906,500; 1986 Estimate, $1,964,151; 1987 Estimate, $2,213,845; Increase, $249,694).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
a. American Center Operations..................	$1,246,345	$1,209,621	$1,411,515	$201,894
b. Book Programs...............................	1,606	1,494	1,529	35
c. Exhibits....................................	205,424	208,998	235,929	26,931
d. Presentations...............................	94,001	86,847	89,695	2,848
e. English Teaching............................	96,790	94,858	97,386	2,528
f. Lectures, Seminars, and Other Programs.......	262,334	362,333	377,791	15,458
Total....................................	1,906,500	1,964,151	2,213,845	249,694

SOVIET UNION AND EAST EUROPEAN PROGRAM

This program activity consists of: (a) operating, support, and space costs for American centers in Bucharest, Romania; Belgrade, Ljubljana, Zagreb, Skopje, Sarajevo and Titograd, Yugoslavia; and Krakow, Poland; and information support to the Consulates in Poznan, Poland, and in Leningrad, U.S.S.R.; (b) book publication, translation and distribution costs; (c) production and display of small-scale exhibits; (d) purchase and presentation of books and magazines to carefully selected government officials, educators, opinion leaders, schools, and other groups and institutions; (e) English-teaching activities, including seminars and programs designed to encourage the use of American-oriented teaching aids and contractual arrangements for English-teaching programs; and (f) other cultural and communication programs, including Agency-sponsored lectures, seminars, concerts, workshops and similar functions; promotion of events under the special Cultural Presentations Program; and local support of the Exchange-of-Persons Programs and similar privately-sponsored programs. These activities are designed to promote wide appreciation of America's cultural, political, economic, and scientific achievements.

The net increase of $249,694 in 1987 will provide $47,694 for full-year and new cost increases associated with American centers and related activities; $200,000 for the renovation of the Belgrade, Yugoslavia center; $15,000 for refurnishing the library in Budapest, Hungary; and $27,000 for other built-in costs for new positions added in 1986. These increases are partially offset by non-recurring costs of $15,000 for furniture and furnishings for the American Center in Sarajevo, Yugoslavia; and $25,000 for Press and Cultural alterations in Sofia, Bulgaria.

5. Program Direction (1985 Actual, $183,637; 1986 Estimate, $195,936; 1987 Estimate, $210,263; Increase, $14,327).

These funds provide for travel by the Area Director and his staff; workshops and conference travel; travel within each country by the Public Affairs Officers and their staffs to supervise and direct post activities; the procurement of reference books, magazines, and newspapers for staff use; and travel and other expenses for local research activities. The increase of $14,327 in 1987 is requested to provide $2,827 for increased costs of procuring materials and services and international air fares and $11,500 to annualize the new position added in 1986 to open a branch post in Kiev, USSR.

6. Other Program Expenses (1985 Actual, $1,544,482; 1986 Estimate, $1,284,198; 1987 Estimate, $1,303,287; Increase, $19,089).

These funds provide for residential and non-residential space costs, cleaning and custodial services, vehicle purchase and operations, purchase of furniture, supplies and equipment, communication costs, and related expenses to support post programs.

The increase of $19,089 will provide $27,276 for full-year and new cost increases in residential and office rents, utilities, maintenance costs and other post related expenses; $973 for other price increases for vehicle purchases and shipping; $13,340 for a residential lease in Zagreb; $10,000 for refurbishing the office in Budapest, Hungary; and $46,000 for other built-in costs. These increases are partially offset by non-recurring start-up costs of $78,500 for new positions added in 1986 in the USSR.

SOVIET UNION AND EAST EUROPEAN PROGRAM

Recapitulation of Costs by Country and Area-Wide Costs

	1985 Actual	Revised 1986 Estimate b/	Revised 1987 Estimate	Revised Increase or Decrease (-)
POSITIONS				
Domestic	14	15	15	--
Overseas American	65	69	69	--
Foreign National	170	171	171	--
Total, Positions	249	255	255	--
COSTS BUDGETED BY COUNTRY				
Bulgaria	$ 295,070	$ 233,764	$ 226,345	$ -7,419
Czechoslovakia	225,444	200,119	213,324	13,205
German Democratic Republic	193,439	205,059	219,814	14,755
Hungary	224,154	168,634	211,387	42,753
Poland	574,877	508,751	683,923	175,172
Romania	986,961	912,212	983,905	71,693
U.S.S.R.	893,819	1,206,126	1,863,767	657,641
Yugoslavia	1,973,919	1,853,970	2,354,679	500,709
Regional Program Office	1,741,142	1,975,597	2,134,299	158,702
RIAS	1,099,960	13,588,476	3,649,979	-9,938,497
Sub-Total, Country Costs	8,208,785	20,852,708	12,541,422	-8,311,286
AREA-WIDE COSTS				
Domestic Employee Compensation and Benefits	562,443	592,893	629,608	36,715
American Employee Compensation and Direct Benefits a/	3,334,683	3,475,957	3,600,792	124,835
Regional Services	160,642	192,351	192,678	327
Sub-Total Area-Wide Costs	4,057,768	4,261,201	4,423,078	161,877
Total, Gross Funds (Comparative Basis)	12,266,553	25,113,909	16,964,500	-8,149,409
Deduct Reimbursements	-26,404	-25,000	-25,000	--
Total, Direct Funds (Comparative Basis)	12,240,149	25,088,909	16,939,500	-8,149,409

a/ Excludes Foreign Service allowances and rest and recuperation travel paid at posts which are included in country costs.

b/ For comparative purposes, includes $141,705 and 25 positions in 1986 for programs in Poland that are transferred from the Special Foreign Currency Program appropriation. Also includes a proposed 1986 program supplemental appropriation of $12,296,000.

WORLD-WIDE MISSION COSTS

	1985 Actual a/	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Summary of Requirements	$22,862,666	$24,843,726	$26,187,000	$1,343,274

General Statement

This section covers funds for those overseas mission expenses that are administered on a world-wide basis. These items are: training, Foreign Service pipeline costs, home leave and related costs, representation, Foreign Service medical expenses, emergency travel and claims, special Foreign Service compensation, and overseas security expenses.

The 1987 estimate for World-Wide Mission Costs totals $26,187,000. This amount is part of the overall 1987 budget level proposed by the Administration to enable USIA to consolidate the rebuilding and enhancement of the Agency's program capabilities accomplished or planned prior to the 1986 reductions required by the Balanced Budget and Emergency Deficit Control Act of 1985. In recognition of this, the 1986 cuts will be accommodated largely through deferrals and one-time reductions.

This document reflects a uniform application of the overall 4.3 per cent reduction to each major program activity. However, the Agency is still assessing the impact of an overall 4.3 per cent reduction in the Salaries and Expenses account, and we expect that the reduction will not be applied evenly to all elements in order to avoid especially disruptive effects on staff, facilities, and certain programs. In the short term, it would be particularly difficult to affect savings of this magnitude in these world-wide mission costs, which cover large fixed expenses for Foreign Service pipeline and training salaries, medical expenses, emergency travel and claims, assignment travel, and similar relatively inflexible costs. In order to make a 4.3 per cent reduction of these items in 1986, we would have to make very disruptive cuts in training programs to reduce training fees and per diem costs, delay home leave and transfers scheduled to occur in 1986, and curtail expenditures necessary to improve security overseas.

The increase of $1,343,274 is requested to consolidate and continue programs at levels established under the 1986 Appropriations Act (P.L. 99-180). The funds will provide $368,851 for full-year and new price increases for international travel, shipping, equipment, and services; $20,775 for within-grade increases in 1987 and annualization of FICA rate increases; $173,000 to increase the representation allowance particularly to fund important "missed opportunities"; and $1,137,655 for other built-in changes, principally adjustments to sustain programs affected in 1986 by reductions under the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177). These increases are partially offset by savings of $357,007 resulting from a built-in reduction of seven work-years in the Junior Officer Training Program.

a/ For comparative purposes, includes $13,537 in 1985 for programs in Training that were transferred from the former Special Foreign Currency Program appropriation to the regular dollar account in 1986.

WORLD-WIDE MISSION COSTS

Summary of Requirements

POSITIONS: b/	1985 Actual a/	Revised 1986 Estimate	1987 Estimate	Revised Increase or Decrease (-)	Page Ref.
1. Training	155	195	188	-7	11-3
2. Foreign Service Pipeline	60	51	58	7	11-6
Total, Positions	215	246	246	--	

FUNDS:	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)	
1. Training	$ 8,720,367	$10,123,773	$10,453,108	$ 329,335	11-3
2. Foreign Service Pipeline	3,678,054	3,604,476	3,609,513	5,037	11-6
3. Home Leave, Transfer and Related Costs	7,496,842	8,249,405	8,473,500	224,095	11-6
4. Representation Allowance	635,826	768,000	941,000	173,000	11-8
5. Foreign Service Medical Expenses	800,481	915,907	944,754	28,847	11-9
6. Emergency Travel and Claims	222,785	197,111	204,937	7,826	11-9
7. Special Foreign Service Compensation	468,709	540,700	540,700	—	11-9
8. Overseas Security Expenses	839,602	824,634	1,019,488	194,854	11-10
Total, Direct Funds (Comparative Basis)	22,862,666	25,224,006	26,187,000	962,994	

a/ For comparative purposes, includes $13,537 in 1985 for programs in Training that were transferred from the former Special Foreign Currency Program appropriation to the regular dollar account in 1986.

b/ All overseas American positions are computed on the basis of work-years used or planned.

WORLD-WIDE MISSION COSTS

Explanation of Requirements

1. Training (1985 Actual, $8,720,367; 1986 Estimate, $10,699,773; 1987 Estimate, $10,453,108; Decrease, $246,665).

The Agency's training program for American and foreign national staffs is composed of the categories listed below. All overseas American positions are computed on the basis of work-years.

	1985 Actual		1986 Estimate		1987 Estimate		Increase or Decrease (-)	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
a. Area and Language Training	35	$3,322,344	42	$ 3,735,771	42	$ 3,726,044	--	$ -9,727
b. Professional and Technical Training.	19	1,478,861	26	2,184,700	26	2,186,902	--	2,202
c. Junior Officer Training	101	3,445,852	127	4,353,684	120	4,097,847	-7	-255,837
d. Foreign National Employee Training .	--	466,726	--	409,341	--	426,038	--	16,697
e. Training Aids	--	6,584	--	16,277	--	16,277	--	--
Total, Training	155	8,720,367	195	10,699,773	188	10,453,108	-7	-246,665

a. Area and Language Training:

Summary of Requirements

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
1. Trainee Compensation and Benefits	$2,228,338	$2,652,612	$2,656,302	$ 3,690
2. Travel and Per Diem	181,883	280,736	280,736	--
3. Training Fees, Materials and Other Expenses.	912,123	802,423	789,006	-13,417
Total, Area and Language Training	3,322,344	3,735,771	3,726,044	-9,727

These funds provide for Agency Foreign Service employees and dependents (except Junior Officer Trainees) who are enrolled in area and language training programs, primarily at the Foreign Service Institute. Officers are also enrolled at selected American universities and in privately operated language courses. Tuition costs for the Foreign Service Institute are shown under the Administrative Support from Other Agencies section of this Budget, Tab 17.

The net decrease of $9,727 in 1987 results from savings of $13,417 due to the reduction in the Junior Officer Training Program in 1987; offset in part by increases of $2,844 for within-grade salary increases in 1987 and $846 for the annualization of FICA rate increases.

b. Professional and Technical Training:

Summary of Requirements

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
1. Trainee Compensation and Benefits	$ 996,134	$1,382,712	$1,384,914	$2,202
2. Travel and Per Diem	103,085	253,906	253,906	--
3. Training Fees and Materials	379,642	548,082	548,082	--
Total, Professional and Technical Training ..	1,478,861	2,184,700	2,186,902	2,202

These funds provide for salaries, travel, per diem, and other training costs for Agency Foreign Service employees who (1) attend the Foreign Service Institute, the Service Colleges of the Defense Department, and American universities; (2) are assigned to the Agency's mid-career media training program; and (3) are assigned to public organizations pursuant to the "Pearson Amendment". This training category also provides for the cost of tuition, travel, per diem, and training materials for other professional and technical training of both Civil Service and Foreign Service employees. Salaries for Civil Service employees undergoing this type of training are budgeted against positions and funds for the Agency elements to which they are assigned. Tuition costs at the Foreign Service Institute are shown under the Administrative Support from Other Agencies section of this Budget, Tab 17.

The increase of $2,202 is requested to provide $1,761 for within-grade salary increases and $441 for the annualization of FICA rate increases.

WORLD-WIDE MISSION COSTS

c. Junior Officer Training:

Summary of Requirements

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
1. Training Compensation and Benefits	$3,049,975	$3,909,790	$3,718,086	$-191,704
1. Travel and Per Diem	382,761	430,613	366,480	-64,133
3. Training Fees and Materials	13,116	13,281	13,281	--
Total, Junior Officer Training	3,445,852	4,353,684	4,097,847	-255,837

This program provides the Agency with well-qualified men and women who fill officer requirements resulting from turnover in the Foreign Service. The training period for Junior Officers averages 20 months, including language training. This budget provides for 60 Junior Officer appointments in 1987.

The net decrease of $255,837 in 1987 results from savings of $265,683 and seven work-years due to the reduction in the Junior Officer Training Program in 1987; offset in part by increases of $8,599 for within-grade salary increases in 1987 and $1,247 for the annualization of FICA rate increases.

d. Foreign National Employee Training:

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
1. Travel and Per Diem	$441,634	$384,591	$401,288	$16,697
2. Training Contracts and Fees	25,092	24,750	24,750	--
Total, Foreign National Employee Training	466,726	409,341	426,038	16,697

These funds provide for an orientation program for selected foreign national employees to receive training in the Washington media elements and to obtain a broad exposure to life in the United States. The increase of $16,697 is requested for projected international travel cost increases.

e. Training Aids (1985 Actual, $6,584; 1986 Estimate, $16,277; 1987 Estimate, $16,277; No Change).

These funds provide for the purchase, maintenance, and replacement of training films and slides, books, maps, exhibits, and other training materials and equipment.

2. Foreign Service Pipeline (1985 Actual, $3,678,054; 1986 Estimate, $3,604,476; 1987 Estimate, $3,609,513; Increase, $5,037).

These funds cover compensation and benefits for 58 pipeline positions, computed on the basis of work-years resulting from (1) overlap in Foreign Service assignments; (2) administrative and special assignments and periods between formal assignments; and (3) medical emergencies and care.

The increase of $5,037 is requested to provide within-grade salary increases and annualization of FICA rate increases.

3. Home Leave, Transfer and Related Costs (1985 Actual, $7,496,842; 1986 Estimate, $8,249,405; 1987 Estimate, $8,473,500; Increase, $224,095).

This activity provides for: (a) appointment travel for new employees in the Foreign Service; (b) home leave travel for eligible Foreign Service employees; (c) direct transfer travel for changes of duty station; and (d) storage of effects, separate travel of dependents, and other related costs.

The net increase of $224,095 is requested to provide $302,002 for international travel and shipping rate increases, consisting of $135,901 for increases effective for part of 1986 and $166,101 for increases anticipated in 1987; offset in part by savings of $77,907 for 13 appointment trips related to the reduction in the Junior Officer Training Program.

WORLD-WIDE MISSION COSTS

	1985 Actual		1986 Estimate		1987 Estimate		Increase or Decrease (-)	
	No. of Trips	Amount	No. of Trips	Amount	No. of Trips	Amount	No. of Trips	Amount
Type of Trip:								
Appointment Trips:								
To Washington	66	$ 167,970	66	$ 211,444	58	$ 189,964	-8	$ -21,480
To Posts	76	760,000	85	926,075	80	905,327	-5	-20,748
Sub-total	142	927,970	151	1,137,519	138	1,095,291	-13	-42,228
Separation Trips	41	393,482	41	428,450	41	446,245	--	17,795
Home Leave Trips:								
Round Trips	130	954,199	131	1,030,175	131	1,069,253	--	39,078
Combined with Transfer	127	2,046,285	132	2,310,660	132	2,403,125	--	92,465
Sub-total	257	3,000,484	263	3,340,835	263	3,472,378	--	131,543
Direct Transfers:								
U.S. to Post	73	1,133,690	69	1,168,635	69	1,215,103	--	46,468
Post to U.S.	26	291,070	25	305,485	25	318,028	--	12,543
Post to Post	79	849,250	79	925,090	79	962,197	--	37,107
Sub-total	178	2,274,010	173	2,399,210	173	2,495,328	--	96,118
Total, Trips	618	6,595,946	628	7,306,014	615	7,509,242	-13	203,228
Related Costs:								
Storage of Household Effects	--	325,814	--	337,034	--	337,034	--	--
Separate Travel of Dependents	--	431,696	--	458,177	--	476,769	--	18,592
Separate Shipment of Effects	--	35,160	--	38,640	--	40,290	--	1,650
Home Service Allowances	--	94,906	--	94,900	--	94,900	--	--
Shipment of Replacement Vehicles ...	--	13,320	--	14,640	--	15,265	--	625
Total, Related Costs	--	900,896	--	943,391	--	964,258	--	20,867
Total, Home Leave, Transfer and Related Costs	618	7,496,842	628	8,249,405	615	8,473,500	-13	224,095

WORLD-WIDE MISSION COSTS

4. Representation Allowance (1985 Actual, $635,826; 1986 Estimate, $768,000; 1987 Estimate, $941,000; Increase, $173,000).

Representation expenses cover costs incurred by USIA officers overseas in establishing and maintaining effective relationships with officials, journalists, academics and other influential leaders in the host country. Representational events usually occur in conjunction with screenings, seminars, discussion programs, lectures, and other substantive program activities. As such they provide opportunities to effectively broaden and deepen understanding of American policies, as well as building invaluable professional relationships. Reimbursement for this type of expense is made on the basis of a detailed voucher submitted by the officer after a representation event has occurred.

A total of $941,000 is requested for the representation allowance for USIS posts overseas in 1987, an increase of $173,000 over the amount available during the current year. This increase is requested to provide $33,000 to cover inflationary cost increases and $140,000 to increase the frequency of and to enhance the size and quality of representational functions that cannot be accomplished within current funding levels. The increases approved in 1985 and 1986 covered inflationary increases during those years and significantly lowered the amount of personal funds that officers have had to use for representation events due to an inadequate representation allowance. However, most of our overseas posts have reported that the lack of sufficient representation funds continues to limit the number, size, and quality of representational functions, resulting in many missed opportunities and impeding the effectiveness of their contacts with key target audiences. Specifically, the posts reported that larger sums are needed:

-- to increase the frequency of small dinners and receptions to facilitate and solidify contacts by USIS post officers with key government officials, academicians, media specialists, and other opinion leaders of the host countries, particularly when a new officer is assigned to a post;

-- to exploit more of the opportunities created by WORLDNET programming and by the presence of outstanding American participants in the AmParts Program for contact with their high-ranking, well-established, and often influential local counterparts;

-- to hold receptions and dinners for departing and returning Fulbright scholars, international visitors, and other academic grantees and to maintain closer ties among the former grantees and between them and U.S. Government officials;

-- to hold receptions for orchestras, dance groups, and other American performing artists and fine art exhibits; and

-- to hold receptions for participants of important conferences, such as the East-West Relations Conference held in Italy.

WORLD-WIDE MISSION COSTS

5. Foreign Service Medical Expenses (1985 Actual, $800,481; 1986 Estimate, $915,907; 1987 Estimate, $944,754; Increase, $28,847).

The 1986 and 1987 estimates are based on 1985 average costs per overseas American position for hospitalization, medical evacuation travel, immunization, and examination of overseas employees and their dependents. The increase of $28,847 is requested to provide $4,858 for full-year costs of international travel rate increases; $5,939 for international travel rate increases anticipated in 1987 and $18,050 related to new overseas American positions in 1986 reflected elsewhere in this Budget.

6. Emergency Travel and Claims (1985 Actual, $222,785; 1986 Estimate, $197,111; 1987 Estimate, $204,937; Increase, $7,826).

This activity provides for: (a) emergency travel costs and subsistence allowances of Agency personnel and their dependents evacuated from troubled areas overseas; (b) emergency visitation travel costs of Agency overseas personnel in instances of serious illness or death of a member of the immediate family; and (c) claims for personal property losses by Agency personnel incident to their service. The increase of $7,826 is requested to provide $4,501 for international travel rate increases and $3,325 related to new overseas American positions in 1986 reflected elsewhere in this Budget.

7. Special Foreign Service Compensation (1985 Actual, $468,709; 1986 Estimate, $540,700; 1987 Estimate, $540,700; No Change).

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Danger Pay	$ 49,639	$ 49,700	$ 49,700	$ --
Senior Foreign Service Awards	419,070	491,000	491,000	--
Total..	468,709	540,700	540,700	--

These funds provide for a danger pay allowance to USIA employees serving in a foreign area where the Secretary of State has determined that there is imminent danger to the the life and safety of U.S. employees serving in the area. The allowance, which is limited to 25 percent of basic pay, was authorized by Section 2310 of the Foreign Service Act of 1980. It will be granted to employees who are required to remain at a post after dependents, nonessential personnel, or both, have been evacuated or to employees who are serving at posts at which dependents are not permitted because of unsettled conditions. In addition, these funds provide for the payment of performance awards to members of the Senior Foreign Service as authorized by the Foreign Service Act of 1980. No change is proposed for 1987 from the 1986 budgeted amount.

WORLD-WIDE MISSION COSTS

8. Overseas Security Expenses (1985 Actual, $839,602; 1986 Estimate, $984,634; 1987 Estimate, $1,019,488; Increase, $34,854).

USIA Overseas Security Expenses meet routine security needs for the Agency's overseas personnel and for some minimal or emergency security requirements for the Agency's separate facilities which are not co-located in the Department of State buildings. Such funds are used to cover critically needed residential physical improvements and residential guards, and surveys to determine security improvements for Bi-National Centers, Fulbright Commission offices, and other minimal requirements.

Through arrangements with the Department of State, the Agency depends on, and utilizes funds appropriated to the Department for major equipment and projects involving our separate facilities. The FY-85/86 State Security Supplemental provides us with $5.3 million for USIA security needs, covering emergency radio equipment, access control systems, perimeter improvements to deny vehicle access, secured areas where staffs may regroup and escape to safety in an emergency, armoring for official vehicles, and office guards. A proposed Security Supplemental to cover FY-86-90 includes $108 million identified specifically for USIA to cover relocations of separate USIA facilities which cannot be retrofitted to adequately protect occupants, security upgrades for Voice of America relay stations, emergency communications and armored vehicles. It also includes an unspecified amount to cover security engineering needs, major guard and residential security needs and Bi-National Centers security. Other aspects of the State Department's supplemental request address all Agency security requirements where USIA is located in Department of State buildings.

VOICE OF AMERICA

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Summary of Requirements	$154,124,421 a/	$168,060,535 a/	$181,058,400	$12,997,865

General Statement

The Voice of America broadcasts to a global audience through short-wave and medium-wave transmissions carrying programs in the national interest which attract and hold listeners. In 1987, a weekly program schedule of 1,204 3/4 hours is planned, (including VOA-Europe), in English and 41 vernacular languages, the same as 1986. The broadcasts will be carried over 126 transmitters in both the United States and overseas with total generating capacities amounting to nearly 26.5 million watts. In addition to direct broadcasts, VOA transmits direct point-to-point feeds and prepares recorded programs for placement on local stations overseas.

A centralized service produces VOA news, correspondent reports, backgrounders, current affairs and feature programs. The language services edit, adapt, and translate this material into vernacular languages; create original programs tailored to specific countries; broadcast programs in 41 foreign languages; and prepare material for use by foreign radio stations. There are domestic news bureaus in New York, Chicago, Los Angeles, Miami, Boston and Houston, in addition to 22 news bureaus overseas which produce program material from sources available only in the geographic areas they cover.

During 1986, VOA will continue the modernization of its facilities and operations: contracts will be awarded for refurbishing our oldest 23 studios; a new master control complex will be installed; several new studios will be constructed; technical enhancement and upgrading of VOA's overseas news and program bureaus will be undertaken; and greater use of satellite technology will be implemented. Many of VOA's programming and technical support elements will be moved into new, refurbished quarters with improved HVAC and electrical power systems. Although no expansion in VOA's broadcast schedule is contemplated during 1987, VOA will continue to seek ways of improving operational efficiency and cost effectiveness through initiatives such as streamlining and enhancing broadcast studio usage; applying automated technology in broadcast production; building small, inexpensive modular studio units for prerecording of program material; further improving the distribution throughout VOA of centrally prepared news material and recorded sound material for use in regional and English language programming; and by seeking ways of improving overseas local placement of VOA produced programs.

a/ For comparative purposes, includes $305,511 and 4 positions in 1985 and $171,204 and 1 position in 1986 for programs in India and Pakistan that are transferred from the Special Foreign Currency Program Appropriation.

The Office of Personnel continues to provide personnel management services tailored to meet VOA's specific needs, many of which are unique to the international broadcasting field. For example, 1985 saw the inauguration of VOA's training program for broadcasters and communicators from developing countries which will further the United State's goal to promote free and independent communications systems in various nations around the world.

Improvements are also continuing in the technical area of operations as a result of the worldwide modernization program. Signal quality and relay will improve significantly through these continuing efforts.

The 1987 estimate for the Voice of America totals $181,058,400. This amount is part of the overall 1987 budget level proposed by the Administration to enable USIA to consolidate the rebuilding and enhancement of the Agency's program capabilities accomplished or planned prior to the 1986 reductions required by the Balanced Budget and Emergency Deficit Control Act of 1985. In recognition of this, the 1986 cuts will be accommodated largely through deferrals and one-time reductions.

This document reflects a uniform application of the overall 4.3 per cent reduction to each major program activity. However, the Agency is still assessing the impact of an overall 4.3 per cent reduction in the Salaries and Expenses account, and we expect that the reduction will not be applied evenly to all elements in order to avoid especially disruptive effects on staff, facilities, and certain programs. An approximate cut of that magnitude in the Voice of America would require the following types of illustrative reductions: elimination of radio leases; curtailment of guard services at domestic relay stations; delay in Caribbean expansion initiatives; reduction of Home Leave and Travel; reduction of language services travel and talent; reduction of correspondent travel; cancellation of news wire services; reduction in recruitment and training for the Modernization Program; and delay in renovation of space for the language divisions.

The increase of $12,997,865 is requested to consolidate and continue improvements in VOA's program and technical operations at levels established under the 1986 Appropriations Act (P.L. 99-180). The funds will provide for overseas wage-scale and price increases, full-year costs of new relay stations in the Caribbean, annualization of salary costs for positions filled in 1986, and other net built-in changes, including adjustments to sustain programs affected in 1986 by reductions under the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177).

VOICE OF AMERICA
Summary of Requirements

	1985 Actual a/	Revised 1986 Estimate a/	1987 Estimate	Revised Increase or Decrease (-)	Page Ref.
I. POSITIONS:					
Domestic	2,095	2,124	2,127	3	
Overseas American	130	142	154	12	
Foreign National	683	707	739	32	
Total, Positions	2,908	2,973	3,020	47	12-4
II. FUNDS:					
A. Domestic Employee Compensation and Benefits	$78,721,087	$83,066,511	$85,231,495	$2,164,984	12-5
B. Overseas American Employee Compensation and Benefits	5,458,501	6,888,163	8,456,051	1,567,888	12-6
C. Foreign National Employee Compensation and Benefits	8,035,907	9,600,808	10,681,587	1,080,779	12-7
D. Indirect and Worldwide Programs:					
1. Program Operations	20,614,413	20,856,183	24,452,091	3,595,908	12-8
2. Technical Operations	35,681,476	40,297,335	45,771,362	5,474,027	12-19
Total, Indirect and Worldwide Programs	56,295,889	61,153,518	70,223,453	9,069,935	
E. Program Direction and Administration	4,593,206	4,969,341	6,407,791	1,438,450	12-26
F. Home Leave and Transfer Costs	1,933,060	2,278,311	2,980,483	702,172	12-27
Total, Gross Funds (Comparative Basis)	155,037,650	167,956,652	183,980,860	16,024,208	
G. Deduct Reimbursements	-913,229	-1,310,500	-2,922,460	-1,611,960	
Total, Direct Funds (Comparative Basis)	154,124,421	166,646,152	181,058,400	14,412,248	

a/ For comparative purposes, includes $305,511 and 4 positions in 1985 and $171,204 and 1 position in 1986 for programs in India and Pakistan that are transferred from the Special Foreign Currency Program Appropriation.

VOICE OF AMERICA

Summary of Positions a/

I. POSITIONS	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Program Operations				
Domestic	1,567	1,587	1,587	--
Overseas American	45	31	31	--
Foreign National	30	30	30	--
Sub-Total	1,642	1,648	1,648	--
Technical Operations				
Domestic	387	396	399	3
Overseas American	85	111	123	12
Foreign National	653	677	709	32
Sub-Total	1,125	1,184	1,231	47
Program Direction and Administration				
Domestic	141	141	141	--
Total Positions				
Domestic	2,095	2,124	2,127	3
Overseas American	130	142	154	12
Foreign National	683	707	739	32
Total, All Positions	2,908	2,973	3,020	47

a/ A detailed breakdown of these positions appears at the end of Sections D1 and D2, "Indirect and World-wide Programs".

VOICE OF AMERICA

Explanation of Requirements

II. FUNDS

A. Domestic Employee Compensation and Benefits (1985 Actual, $78,721,087; 1986 Estimate, $83,880,046; 1987 Estimate, $85,231,495; Increase, $1,351,449).

	1985 Actual		1986 Estimate		1987 Estimate		Increase or Decrease (-)	
	Pos.	Funds	Pos.	Funds	Pos.	Funds	Pos.	Funds
Voice of America								
Program Operations	1,567	$57,824,791	1,587	$61,109,289	1,587	$61,849,543	--	$740,254
Technical Operations	387	14,460,750	396	15,932,059	399	16,447,755	3	515,696
Program Direction & Administration	141	6,435,546	141	6,838,698	141	6,934,197	--	95,499
Total	2,095	78,721,087	2,124	83,880,046	2,127	85,231,495	3	1,351,449

The net increase of $1,351,449 in 1987 is requested to provide:

a. $63,793 for within-grade increases in 1987;

b. $174,370 for the full-year costs of 15 new domestic positions added in 1986 to sustain Pashto and Azerbaijani, to support the planned Puerto Rico relay station, and to provide for the management of engineering installation/construction projects;

c. $1,035,227 for full-year costs of new positions authorized previously for the modernization and expansion of the Voice of America but not filled until 1986;

d. $37,000 for three additional domestic positions requested in 1987 to complete site staffing for the new shortwave station planned for Puerto Rico; and

e. $41,059 to provide for FICA changes.

VOICE OF AMERICA

Explanation of Requirements

II. FUNDS

B. Overseas American Employee Compensation and Benefits (1985 Actual, $5,458,501; 1986 Estimate, $7,269,541; 1987 Estimate, $8,456,051; Increase, $1,186,510).

	1985 Actual		1986 Estimate		1987 Estimate		Increase or Decrease (-)	
	Pos.	Funds	Pos.	Funds	Pos.	Funds	Pos.	Funds
Voice of America								
Program Operations	45	$1,992,673	31	$1,830,822	31	$1,843,980	--	$ 13,158
Technical Operations	85	3,465,828	111	5,438,719	123	6,612,071	12	1,173,352
Total	130	5,458,501	142	7,269,541	154	8,456,051	12	1,186,510

The increase of $1,186,510 in 1987 is requested to provide:

a. $10,703 for within-grade increases in 1987;

b. $610,837 for the full-year cost of new positions authorized previously for the modernization and expansion of the Voice of America but not filled until 1986;

c. $292,414 for Foreign Service allowance increases ($261,885) and R&R travel increases ($30,529);

d. $270,000 for twelve additional overseas American positions requested in 1987 to meet initial staffing needs for new relay stations in the Caribbean/Central America, Botswana, and Israel; and

e. $2,556 for FICA increases for employees hired in 1987.

VOICE OF AMERICA

Explanation of Requirements

II. FUNDS

C. Foreign National Employee Compensation and Benefits (1985 Actual, $8,035,907; 1986 Estimate, $9,600,808; 1987 Estimate, $10,681,587; Increase, $1,080,779).

	1985 Actual		1986 Estimate		1987 Estimate		Increase or Decrease (-)	
	Pos.	Funds	Pos.	Funds	Pos.	Funds	Pos.	Funds
Program Operations	30	$ 484,426	30	$ 701,735	30	$ 839,678	--	$ 137,943
Technical Operations	653	7,551,481	677	8,899,073	709	9,841,909	32	942,836
Total	683	8,035,907	707	9,600,808	739	10,681,587	32	1,080,779

The increase of $1,080,779 in 1987 is requested to provide:

a. $632,670 for wage scale increases, consisting of $205,551 for full-year costs of increases effective for part of 1986 and $427,119 for increases anticipated in 1987;

b. $106,050 for within-grade salary increases;

c. $87,000 for 15 new foreign national positions requested in 1987 to provide site construction staffs for the Bangkok, Colombo, and Tangier projects and $121,000 for 17 new positions for operation of new Caribbean medium-wave stations;

d. $115,757 for the full-year cost of positions added in 1986 for new medium-wave stations in Central America and the Caribbean; and

e. Full-year costs of $18,302 resulting from exchange rate adjustments through November 30, 1985.

VOICE OF AMERICA

II. FUNDS

D. Indirect and Worldwide Programs

1. VOA Program Operations (1985 Actual, $20,614,413; 1986 Estimate, $23,472,228; 1987 Estimate, $24,452,091; Increase, $979,863).

Program operations include the management, planning, policy supervision, preparation and production of the programs broadcast by the Voice of America. The major areas are: (1) a centralized program service which produces VOA newscasts, correspondent reports, background reports, current affairs and feature programs; (2) the language services, which edit and translate into 41 foreign languages the material produced by the centralized program service, create original programs tailored to specific countries, broadcast programs in 41 foreign languages, and prepare recorded material for use by foreign radio stations; (3) domestic news bureaus in New York, Chicago, Los Angeles, Miami, Boston, and Houston; and (4) overseas news bureaus at 22 locations. Funding indicated above is exclusive of employee salaries which have been addressed in previous pages.

During 1986, 8 1/2 hours of broadcasting are being added to the VOA weekly program schedule to initiate a 1 1/2 hour Sunday morning French broadcast and an increase of 7 hours weekly in Arabic. In addition, VOA Europe began full time operation of broadcasts to Western Europe on October 15, 1985 (24 hours daily, 168 broadcast hours weekly).

In 1987, we will continue to broadcast at the 1986 level of 1,204 3/4 hours weekly as outlined in the VOA weekly program schedule.

The Reagan-Gorbachev summit in Geneva was among the outstanding news events covered by VOA during the past year. There are also many events scheduled in 1987 which have world-wide significance. In addition to a follow-up meeting between President Reagan and General Secretary Gorbachev, there are the Space Shuttle Flights, the World Cup Soccer Championship, the Economic Summit meeting in Tokyo, and the rededication of The Statue of Liberty. VOA will supplement regular programming with special coverage of these important events.

VOICE OF AMERICA

Weekly Program Schedule in Hours

	September 30, 1985 Originations	September 30, 1986 Originations	September 30, 1987 Originations	Increase
East Europe & USSR				
Albanian	10:30	10:30	10:30	--
Armenian	8:45	8:45	8:45	--
Azeri	7:00	7:00	7:00	--
Bulgarian	10:30	10:30	10:30	--
Czech-Slovak	21:00	21:00	21:00	--
Estonian	8:45	8:45	8:45	--
Georgian	5:15	5:15	5:15	--
Hungarian	17:30	17:30	17:30	--
Latvian	8:45	8:45	8:45	--
Lithuanian	8:45	8:45	8:45	--
Polish	49:00	49:00	49:00	--
Romanian	12:15	12:15	12:15	--
Russian	119:00	119:00	119:00	--
Serbo-Croatian	8:45	8:45	8:45	--
Slovene	3:30	3:30	3:30	--
Ukrainian	35:00	35:00	35:00	--
Uzbek	14:00	14:00	14:00	--
* English	(70:00)	(70:00)	(70:00)	(--)
Sub-total	348:15	348:15	348:15	--
West Europe				
VOA-Europe (English)	--	168:00	168:00	--
Greek	3:30	3:30	3:30	--
Portuguese	7:00	7:00	7:00	--
Turkish	7:00	7:00	7:00	--
Sub-total	17:30	185:30	185:30	--

* Area totals exclude English broadcast worldwide.

VOICE OF AMERICA

Weekly Program Schedule in Hours

	September 30, 1985 Originations	September 30, 1986 Originations	September 30, 1987 Originations	Increase
Africa				
Amharic	7:00	7:00	7:00	--
English-To-Africa..	39:30	39:30	39:30	--
French	37:00	38:30	38:30	--
Hausa	7:00	7:00	7:00	--
Portuguese	10:30	10:30	10:30	--
Swahili	7:00	7:00	7:00	--
* English	(44:30)	(44:30)	(44:30)	(--)
Sub-total	108:00	109:30	109:30	--
North Africa, Near East, and South Asia				
Arabic	59:30	66:30	66:30	--
Bengali	14:00	14:00	14:00	--
Dari	14:00	14:00	14:00	--
Hindi	10:30	10:30	10:30	--
Pashto	14:00	14:00	14:00	--
Persian (Farsi) ...	24:30	24:30	24:30	--
Urdu	10:30	10:30	10:30	--
* English	(112:00)	(112:00)	(112:00)	(--)
Sub-total	147:00	154:00	154:00	--
East Asia and Pacific				
Burmese	7:00	7:00	7:00	--
Chinese	63:00	63:00	63:00	--
Indonesian	24:30	24:30	24:30	--
Khmer	10:30	10:30	10:30	--
Korean	10:30	10:30	10:30	--
Lao	7:00	7:00	7:00	--
Thai	7:00	7:00	7:00	--
Vietnamese	21:00	21:00	21:00	--
* English	(49:00)	(49:00)	(49:00)	(--)
Sub-total	150:30	150:30	150:30	--

* Area totals exclude English broadcast worldwide.

VOICE OF AMERICA

Weekly Program Schedule in Hours

	September 30, 1985 Originations	September 30, 1986 Originations	September 30, 1987 Originations	Increase
American Republics				
Spanish	52:30	52:30	52:30	--
Portuguese	14:00	14:00	14:00	--
* English	(33:30)	(33:30)	(33:30)	(--)
Sub-total	66:30	66:30	66:30	--
English	190:30	190:30	190:30	--
Total, Broadcasts ...	1,028:15	1,204:45	1,204:45	--

* Area totals exclude English broadcast worldwide.

VOICE OF AMERICA

Explanation of Requirements

1. VOA Program Operations

(a) Domestic Program Expenses (1985 Actual, $17,555,723; 1986 Estimate, $19,785,760; 1987 Estimate, $20,669,722; Increase, $883,962).

This estimate covers the cost of specialized talent, program and alien and dependent travel and transportation, provision of news wire services, leasing of satellite circuits, and other program expenses.

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Talent	$2,363,623	$3,590,303	$3,611,645	$21,342
Travel	2,175,685	2,174,258	2,226,814	52,556
News Wire Services	1,450,119	1,673,012	1,743,449	70,437
Satellite Circuits	4,654,315	5,945,509	6,296,534	351,025
Other Program Expenses	6,911,981	6,402,678	6,791,280	388,602
Total	17,555,723	19,785,760	20,669,722	883,962

The net increase of $883,962 is requested to provide for the following changes:

Talent, $21,342 -- This increase represents full-year costs of program changes in 1986, primarily VOA Europe.

Travel, $52,556 -- This increase is requested to cover full-year and new inflationary increases in the costs of international travel.

Newswire Services, $70,437 -- This increase is requested to cover full-year and new inflationary increases for our domestic newswire services.

Satellite Circuits, $351,025 -- This increase is requested to provide $316,025 for full-year and new inflationary cost increases to maintain VOA's satellite circuits and $35,000 to annualize new circuits added in 1986 at Antigua and Bangkok.

VOICE OF AMERICA

Explanation of Requirements (continued)

Other Program Expenses, $388,602 -- This increase is requested to provide $135,000 for tape, supplies, and other full-year costs of programming changes implemented in 1986, including VOA Europe, and $253,602 for full-year and new inflationary increases for overseas shipping, tape, and other support.

(b) Overseas Program Expenses (1985 Actual, $3,058,690; 1986 Estimate, $3,686,468; 1987 Estimate, $3,782,369; Increase, $95,901).

This estimate covers the operating expenses of overseas program operations. This includes the cost of specialized talent, travel, communications and utilities; the lease of office and residential space; and the purchase of furniture, vehicles, specialized radio supplies, and equipment. The distribution by location is as follows:

		1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
VOA-Europe Program (Munich)		$343,085	$534,777	$557,083	$22,306
News Bureaus:					
West Europe:	Geneva	56,590	118,152	125,348	7,196
	London	240,974	317,689	336,913	19,224
	Paris	120,597	163,013	174,462	11,449
	Rome	146,997	123,670	132,396	8,726
East Europe:	Bonn	95,287	160,820	165,952	5,132
	Munich	130,356	118,766	124,871	6,105
	Vienna	104,871	155,330	164,027	8,697
Near East:	Amman	201,718	115,697	119,400	3,703
	Cairo	274,290	269,939	282,737	12,798
	Jerusalem	87,236	166,438	135,591	-30,847

VOICE OF AMERICA

Explanation of Requirements (continued)

		1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Africa:	Abidjan	$186,354	$246,601	$253,864	$7,263
	Johannesburg	97,962	87,696	91,853	4,157
	Nairobi	112,419	109,647	114,845	5,198
South Asia:	Islamabad	129,033	113,806	117,230	3,424
	New Delhi	115,714	137,665	143,909	6,244
East Asia & Pacific:	Bangkok	118,684	98,920	104,472	5,552
	Beijing	146,301	109,039	111,499	2,460
	Hong Kong	114,915	110,496	115,729	5,233
	Tokyo	125,571	128,834	135,369	6,535
American Republics:	Costa Rica	15,000	70,663	73,896	3,233
	Mexico	31,100	95,225	99,649	4,424
	Rio de Janeiro	63,636	133,585	101,274	-32,311
Total		3,058,690	3,686,468	3,782,369	95,901

The increase of $95,901 requested in 1987 will provide $157,169 for full-year and new price increases and $15,732 for exchange rate adjustments through November 30, 1985, partially offset by non-recurring costs of $77,000 associated with two-year lease payments made during FY 1986.

VOICE OF AMERICA

Summary of Positions for Program Operations

	1985 Actual				1986 Estimate				1987 Estimate				Increase or Decrease (-)			
	Dom.	Am.	F.N.	Total	Dom.	Am.	F.N.	Total	Dom.	Am.	F.N.	Total	Dom.	Am.	F.N.	Total
Domestic Programs																
Program Direction and Management	54	--	--	54	55	--	--	55	55	--	--	55	--	--	--	--
VOA-Europe	17	--	--	17	31	--	--	31	31	--	--	31	--	--	--	--
East Asia & Pacific Division	178	--	--	178	178	--	--	178	178	--	--	178	--	--	--	--
African Division	124	--	--	124	125	--	--	125	125	--	--	125	--	--	--	--
Near East Division	183	--	--	183	187	--	--	187	187	--	--	187	--	--	--	--
American Republics Division	87	--	--	87	87	--	--	87	87	--	--	87	--	--	--	--
European Division	240	--	--	240	240	--	--	240	240	--	--	240	--	--	--	--
USSR Division	185	--	--	185	183	--	--	183	183	--	--	183	--	--	--	--
English Programs Division	55	--	--	55	55	--	--	55	55	--	--	55	--	--	--	--
Current Affairs Division	46	--	--	46	46	--	--	46	46	--	--	46	--	--	--	--
News Division	148	--	--	148	149	--	--	149	149	--	--	149	--	--	--	--
New York News Bureau	13	--	--	13	13	--	--	13	13	--	--	13	--	--	--	--
Los Angeles News Bureau	5	--	--	5	5	--	--	5	5	--	--	5	--	--	--	--
Miami News Bureau	4	--	--	4	4	--	--	4	4	--	--	4	--	--	--	--
Chicago News Bureau	3	--	--	3	3	--	--	3	3	--	--	3	--	--	--	--
Boston News Bureau	2	--	--	2	2	--	--	2	2	--	--	2	--	--	--	--
Houston News Bureau	1	--	--	1	2	--	--	2	2	--	--	2	--	--	--	--
Washington Plant	222	--	--	222	222	--	--	222	222	--	--	222	--	--	--	--
Sub-total, Domestic	1,567	--	--	1,567	1,587	--	--	1,587	1,587	--	--	1,587	--	--	--	--
Overseas Programs																
VOA-Europe (Munich)	--	18	1	19	--	4	3	7	--	4	3	7	--	--	--	--
News Bureaus:																
West Europe: Geneva	--	1	--	1	--	1	--	1	--	1	--	1	--	--	--	--
London	--	4	4	8	--	4	5	9	--	4	5	9	--	--	--	--
Paris	--	2	2	4	--	2	2	4	--	2	2	4	--	--	--	--
Rome	--	2	1	3	--	2	1	3	--	2	1	3	--	--	--	--

VOICE OF AMERICA

Summary of Positions for Program Operations

		1985 Actual				1986 Estimate				1987 Estimate				Increase or Decrease (-)			
		Dom.	Am.	F.N.	Total	Dom.	Am.	F.N.	Total	Dom.	Am.	F.N.	Total	Dom.	Am.	F.N.	Total
Overseas Programs																	
East Europe:	Bonn	--	1	1	2	--	1	1	2	--	1	1	2	--	--	--	--
	Munich............	--	1	3	4	--	--	1	1	--	--	1	1	--	--	--	--
	Vienna............	--	1	1	2	--	2	1	3	--	2	1	3	--	--	--	--
Near East:	Amman	--	1	1	2	--	1	1	2	--	1	1	2	--	--	--	--
	Cairo.............	--	1	3	4	--	1	3	4	--	1	3	4	--	--	--	--
	Jerusalem.........	--	1	--	1	--	1	--	1	--	1	--	1	--	--	--	--
Africa:	Abidjan	--	1	1	2	--	1	1	2	--	1	1	2	--	--	--	--
	Johannesburg	--	1	1	2	--	1	1	2	--	1	1	2	--	--	--	--
	Nairobi	--	1	1	2	--	1	1	2	--	1	1	2	--	--	--	--
South Asia:	Islamabad	--	1	1	2	--	1	--	1	--	1	--	1	--	--	--	--
	New Delhi	--	1	2	3	--	1	2	3	--	1	2	3	--	--	--	--
East Asia and Pacific:																	
	Bangkok	--	1	2	3	--	1	2	3	--	1	2	3	--	--	--	--
	Beijing	--	1	--	1	--	1	--	1	--	1	--	1	--	--	--	--
	Hong Kong	--	1	1	2	--	1	1	2	--	1	1	2	--	--	--	--
	Tokyo	--	1	2	3	--	1	2	3	--	1	2	3	--	--	--	--
American Republics:																	
	Costa Rica	--	1	--	1	--	1	--	1	--	1	--	1	--	--	--	--
	Mexico............	--	1	1	2	--	1	1	2	--	1	1	2	--	--	--	--
	Rio De Janiero....	--	1	1	2	--	1	1	2	--	1	1	2	--	--	--	--
Sub-total, Overseas...........		--	45	30	75	--	31	30	61	--	31	30	61	--	--	--	--
Total, Program Operations.......		1,567	45	30	1,642	1,587	31	30	1,648	1,587	31	30	1,648	--	--	--	--

VOICE OF AMERICA

Recapitulation of Total Costs for VOA Program Operations by Office and Location a/

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Domestic:				
Program Direction and Management	$ 3,619,196	$ 4,058,500	$ 4,151,956	$ 93,456
VOA - Europe	935,690	3,107,410	3,153,535	46,125
East Asia and Pacific Division	6,752,067	6,977,648	7,037,824	60,176
African Division	4,663,947	4,808,256	4,865,782	57,526
Near East Division	7,571,549	8,055,241	8,140,850	85,609
American Republics Division	3,005,062	3,197,954	3,265,337	67,383
European Division	7,892,736	8,683,776	8,858,080	174,304
USSR Division	7,025,308	7,589,446	7,705,958	116,512
English Programs Division	1,588,912	1,614,182	1,639,089	24,907
Current Affairs Divison	2,095,889	2,177,164	2,202,002	24,838
News Division	10,485,285	10,771,484	10,948,449	176,965
New York News Bureau	1,056,857	1,063,425	1,064,067	642
Los Angeles News Bureau	442,974	449,747	449,994	247
Miami News Bureau	249,234	237,755	237,952	197
Chicago News Bureau	130,337	132,543	132,691	148
Boston News Bureau	111,027	123,155	123,254	99
Houston News Bureau	104,064	119,631	119,730	99
Washington Plant	17,650,380	17,727,732	18,422,715	694,983
Sub-total, Domestic	75,380,514	80,895,049	82,519,265	1,624,216

---

a/ Includes employee compensation and benefits and program expenses.

VOICE OF AMERICA

Recapitulation of Total Costs for VOA Program Operations by Office and Location a/

		1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Overseas:					
VOA-Europe (Munich)		$603,466	$809,816	$834,332	$24,516
News Bureaus:					
West Europe:	Geneva	100,202	155,354	162,758	7,404
	London	498,672	642,209	681,092	38,883
	Paris	320,997	343,853	364,645	20,792
	Rome	318,556	243,582	257,842	14,260
East Europe:	Bonn	182,520	257,336	267,569	10,233
	Munich	286,966	272,420	283,664	11,244
	Vienna	198,124	230,546	242,354	11,808
Near East:	Amman	272,922	190,999	196,280	5,281
	Cairo	439,688	411,134	428,118	16,984
	Jerusalem	152,174	238,603	208,518	-30,085
Africa:	Abidjan	268,795	320,380	333,094	12,714
	Johannesburg	153,307	141,639	146,938	5,299
	Nairobi	184,442	160,593	167,082	6,489
South Asia:	Islamabad	175,339	176,685	180,219	3,534
	New Delhi	228,417	225,177	233,347	8,170
East Asia and Pacific:	Bangkok	166,841	174,737	182,837	8,100
	Beijing	262,949	299,703	305,455	5,752
	Hong Kong	168,726	178,749	186,042	7,293
	Tokyo	242,830	225,072	236,690	11,618
American Republics:	Costa Rica	84,127	110,918	114,261	3,343
	Mexico	101,215	170,181	179,403	9,222
	Rio de Janeiro	124,514	239,339	273,487	34,148
Sub-total, Overseas		5,535,789	6,219,025	6,466,027	247,002
Total, Program Operations		80,916,303	87,114,074	88,985,292	1,871,218

a/ Includes employee compensation and benefits and program expenses.

VOICE OF AMERICA

II. FUNDS

D. Indirect and Worldwide Programs

2. VOA Technical Operations (1985 Actual, $35,681,476; 1986 Estimate, $43,770,783, 1987 Estimate, $45,771,362; Increase, $2,000,579).

VOA's Office of Engineering and Technical Operations is responsible for administering the design, construction and operation of an extensive international radio relay network. This broadcasting system currently consists of four domestic and thirteen overseas relay facilities, plus employee and contracted monitoring posts located throughout the world.

The Office utilizes a sequential planning and implementation process to address all VOA engineering needs. Four organizational sub-elements, consisting of Systems Engineering, Projects Management, and Operations and Management Services, offer specialized talents in the resolution of technical issues. Systems Engineering develops both long-range and near-term plans, and manages programs to foster VOA application of new broadcasting advancements. Projects Management determines how best to fulfill quantified engineering requirements, and coordinates the design and construction of new and refurbished facilities. The Operations unit manages human and technical resources at all existing and newly constructed radio relay sites to effectively satisfy VOA programming objectives, and Management Services insures that policies and procedures are instituted to provide VOA-Engineering staff members with budgetary, acquisition and administrative support.

In FY-1986, VOA Engineering and Technical Operations continues efforts to significantly expand and modernize Agency radio broadcasting facilities. Design and construction work is proceeding on new relay stations sited in Morocco, Sri Lanka, Thailand, Puerto Rico and Botswana. New transmitters are also being readied at the Delano, California and Greenville, North Carolina sites. When completed, these radio installations will permit better quality signals to penetrate potentially larger listening audiences. In addition to the Northern Costa Rica medium wave (standard AM band) station which was opened last year, a second AM broadcasting facility will soon become operational in the Central American nation of Belize. Negotiations are also underway to expand the VOA network of Caribbean Basin medium wave stations and shortwave relay installations in other areas of the world.

In 1987, a net increase of $2,000,579 and 47 positions is requested to support engineering, construction and technical operation activities. The staff increases consist of 3 domestic positions, 4 Overseas Americans and 15 Foreign Service Nationals (FSN) to manage and coordinate advancing major radio relay construcion projects in Morocco, Sri Lanka, Thailand, Puerto Rico, Botswana and the Middle East, and 8 Overseas Americans and 17 FSN's to initiate one new relay station and fully staff two medium wave transmitting facilities in the politically sensitive Central America/Caribbean Region.

VOICE OF AMERICA

Summary of Requirements a/

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
a. Office of the Director of Engineering and Technical Operations	$ 9,743,324	$11,869,367	$12,061,474	$ 192,107
b. Operation of Facilities				
Bethany Relay Station	830,896	1,194,524	1,194,524	--
Delano Relay Station	1,000,111	1,571,302	1,571,302	--
Dixon Relay Station	429,278	788,877	788,877	--
Greenville Relay Station	3,626,119	4,582,078	4,582,078	--
Marathon Relay Station b/	54,248	--	--	--
Antigua Relay Station	190,712	180,350	188,900	8,550
Thailand Relay Station	826,395	801,449	843,051	41,602
Belize Relay Station	270,936	846,639	1,011,076	164,437
Botswana Relay Station	142,961	117,763	139,985	22,222
Sri Lanka Relay Station	192,040	191,589	198,291	6,702
Quesada (Costa Rica) Relay Station	670,725	1,121,583	1,177,662	56,079
Caribbean/Central America Relay Station	--	20,000	550,223	530,223
Kavala Relay Station	3,218,214	3,675,741	3,827,720	151,979
Liberia Relay Station	3,830,402	4,128,502	4,341,624	213,122
Munich Relay Station	1,005,432	1,248,353	1,312,769	64,416
Philippines Relay Station	3,578,974	4,294,619	4,415,120	120,501
Rhodes Relay Station	1,034,681	1,248,215	1,301,803	53,588
Morocco Relay Station	1,213,508	1,407,610	1,482,516	74,906
Wooferton Relay Station c/	3,675,860	4,316,780	4,563,471	246,691
Monitoring Offices	146,660	165,442	179,796	14,354
Sub-total	25,938,152	31,901,416	33,670,788	1,769,372

a/ Excludes employee compensation and benefits.

b/ The Marathon relay station now solely transmits Radio Marti programming to Cuba.

c/ The British Broadcast Corporation, under a USIA contract, operates Wofferton Relay Facilities in England.

VOICE OF AMERICA

Summary of Requirements a/

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
c. Site Construction Supervision				
Botswana Site Staff......................	$ --	$ --	$ 16,100	$ 16,100
Israel Site Staff.........................	--	--	8,500	8,500
Puerto Rico Site Staff..................	--	--	14,500	14,500
Sub-total	--	--	39,100	39,100
Total, Technical Operations	35,681,476	43,770,783	45,771,362	2,000,579

a/ Excludes employee compensation and benefits.

VOICE OF AMERICA

Explanation of Requirements

a. Office of Director of Engineering and Technical Operations --

The increase of $192,107 is requested to provide $300,000 for initial costs of the new Central American station and $67,107 for full-year and new inflationary increases and other built-in increases, partially offset by non-recurring costs of $175,000 for initial start-up costs for a new station in the Caribbean.

b. Operation of Facilities --

The increase of $1,769,372 is requested to provide the following:

(1) Full-Year Costs of 1986 Rate and Price Increases .... Consists of $75,332 for commercial power; $163,256 for diesel fuel; $11,041 for lube oil and gasoline; $15,479 for equipment, parts and supplies; $2,137 for shipping; $43,469 for maintenance contracts; $46,832 for guard services; and $125,317 for all other expenses.	$482,863
(2) Anticipated Rate and Price Increases in 1987 .... Consists of $92,071 for commercial power; $197,938 for diesel fuel; $13,496 for lube oil and gasoline; $18,925 for equipment, parts and supplies; $2,615 for shipping costs; $46,030 for maintenance contracts; $57,239 for guard service; and $154,244 for all other expenses.	582,558
(3) 1987 Operational Cost Increases .... Full-year operational costs for the Central American relay station to be opened in 1987.	512,000
(4) Full-Year Costs of 1986 Program Increases .... Full-year costs of program increases in Belize, Botswana, and a New Caribbean relay station.	154,676
(5) Full-year costs of exchange rate adjustments through November 30, 1985..........	37,275

c. Site Construction Supervision --

The increase of $39,100 is requested to provide for local travel requirements, residential leases, and utilities associated with the proposed addition of 12 positions in 1987 for initial site construction staffs for the projects in Israel, Botswana, and Puerto Rico.

VOICE OF AMERICA

Summary of Positions for Technical Operations

	1985 Actual				1986 Estimate				1987 Estimate				Increase or Decrease (-)			
	Dom.	Am.	F.N.	Total	Dom.	Am.	F.N.	Total	Dom.	Am.	F.N.	Total	Dom.	Am.	F.N.	Total
Engineering Directorates and Management	243	--	--	243	250	--	--	250	250	--	--	250	--	--	--	--
Operation of Facilities																
Bethany Relay Station	20	--	--	20	20	--	--	20	20	--	--	20	--	--	--	--
Delano Relay Station	22	--	--	22	22	--	--	22	22	--	--	22	--	--	--	--
Dixon Relay Station	10	--	--	10	10	--	--	10	10	--	--	10	--	--	--	--
Greenville Relay Station	92	--	--	92	92	--	--	92	92	--	--	92	--	--	--	--
Marathon Relay Station	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Antigua Relay Station	--	3	4	7	--	8	12	20	--	8	13	21	--	--	1	1
Thailand Relay Station	--	3	39	42	--	3	39	42	--	3	41	44	--	--	2	2
Belize Relay Station	--	5	4	9	--	12	10	22	--	12	10	22	--	--	--	--
Botswana Relay Station	--	9	7	16	--	9	7	16	--	9	7	16	--	--	--	--
Sri Lanka Relay Station	--	1	4	5	--	1	4	5	--	1	6	7	--	--	2	2
Kavala Relay Station	--	12	115	127	--	12	115	127	--	12	115	127	--	--	--	--
Liberia Relay Station	--	14	97	111	--	14	97	111	--	14	97	111	--	--	--	--
Munich Relay Station	--	4	64	68	--	4	64	68	--	4	64	68	--	--	--	--
Philippines Relay Station	--	11	143	154	--	11	143	154	--	11	143	154	--	--	--	--
Quesada (Costa Rica) Relay Station	--	5	13	18	--	5	13	18	--	5	13	18	--	--	--	--
Caribbean Relay Stations	--	--	--	--	--	8	10	18	--	16	26	42	--	8	16	24
Rhodes Relay Station	--	5	62	67	--	5	62	67	--	5	62	67	--	--	--	--
Morocco Relay Station	--	9	87	96	--	9	87	96	--	9	89	98	--	--	2	2
Sub-total, Relay Stations	144	81	639	864	144	101	663	908	144	109	686	939	--	8	23	31
Monitoring Offices	--	3	7	10	--	3	7	10	--	3	7	10	--	--	--	--
Site Construction Staffs																
Botswana Site Staff	--	--	--	--	--	--	--	--	--	2	--	2	--	2	--	2
Israel Site Staff	--	--	--	--	--	--	--	--	--	2	--	2	--	2	--	2
Sri Lanka Site Staff	--	--	--	--	--	2	--	2	--	2	3	5	--	--	3	3
Morocco Site Staff	--	--	--	--	--	2	--	2	--	2	3	5	--	--	3	3
Thailand Site Staff	--	--	--	--	--	2	--	2	--	2	3	5	--	--	3	3
Costa Rica Site Staff	--	--	1	1	--	1	1	2	--	1	1	2	--	--	--	--
Belize Site Staff	--	--	1	1	--	--	1	1	--	--	1	1	--	--	--	--
Caribbean/Central Amer. Site Staff	--	1	5	6	--	--	5	5	--	--	5	5	--	--	--	--
Puerto Rico Site Staff	--	--	--	--	2	--	--	2	5	--	--	5	3	--	--	3
Sub-total, Construction Staffs	--	1	7	3	2	7	7	16	5	11	16	32	3	4	9	16
Total Positions, Technical Operations	387	85	653	1,125	396	111	677	1,184	399	123	709	1,231	3	12	32	47

VOICE OF AMERICA

Recapitulation of Total Costs for VOA Technical Operations by Office and Location a/

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
a. Office of the Director of Engineering and Technical Operations	$18,936,074	$22,048,420	$22,554,419	$ 505,999
b. Operation of Facilities				
Bethany Relay Station	1,633,646	2,022,471	2,028,850	6,379
Delano Relay Station	1,744,913	2,391,695	2,408,956	17,261
Dixon Relay Station	661,288	1,071,281	1,082,558	11,277
Greenville Relay Station	7,025,560	8,359,473	8,444,892	85,419
Marathon Relay Station	143,245	--	--	--
Antigua Relay Station	299,401	581,477	810,076	228,599
Bangkok Relay Station	1,472,160	1,478,709	1,607,647	128,938
Belize Relay Station	318,346	1,405,192	1,879,835	474,643
Botswana Relay Station	412,443	549,533	579,326	29,793
Colombo Relay Station	216,825	334,121	378,737	44,616
Quesada (Costa Rica) Relay Station	823,482	1,608,143	1,692,403	84,260
Caribbean/Central America Relay Station	--	323,369	1,517,386	1,194,017
Kavala Relay Station	5,770,128	6,529,307	6,821,774	292,467
Liberia Relay Station	5,653,509	6,281,286	6,585,922	304,636
Munich Relay Station	2,598,555	3,308,508	3,440,171	131,663
Philippines Relay Station	4,653,254	5,607,455	5,851,586	244,131
Rhodes Relay Station	2,459,586	2,694,632	2,819,055	124,423
Tangier Relay Station	2,292,429	2,605,505	2,782,487	176,982
Woofferton Relay Station	3,675,860	4,316,780	4,563,471	246,691
Monitoring Offices	368,831	478,410	506,911	28,501
Sub-total	42,223,461	51,947,347	55,802,043	3,854,696

a/ Includes employee compensation and benefits and program expenses.

VOICE OF AMERICA

Recapitulation of Total Costs for VOA Technical Operations by Office and Location a/

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
c. Site Construction Supervision				
Botswana Site Staff..................	$ --	$ --	$ 63,100	$ 63,100
Israel Site Staff....................	--	--	60,700	60,700
Colombo Site Staff...................	--	--	8,000	8,000
Puerto Rico Site Staff..............	--	44,867	140,835	95,968
Tangier Site Staff...................	--	--	19,000	19,000
Bangkok Site Staff...................	--	--	25,000	25,000
Sub-total	--	44,867	316,635	271,768
Total, Technical Operations	61,159,535	74,040,634	78,673,097	4,632,463

a/ Includes employee compensation and benefits and program expenses.

II. FUNDS

E. Program Direction (1985 Actual, $4,593,206; 1986 Estimate, $6,292,935; 1987 Estimate, $6,407,791; Increase, $114,856).

This estimate provides program expenses for the Associate Director, Voice of America, with associated staff functions including the Offices of Policy, Audience Relations, Administration and Personnel.

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Funds				
Office of the Director........................	$ 499,671	$ 707,875	$ 712,981	$ 5,106
Office of Administration......................	1,367,094	2,586,287	2,656,574	70,287
Audience Relations............................	1,161,552	1,337,570	1,337,570	--
Personnel	1,564,889	1,661,203	1,700,666	39,463
Total, Funds	4,593,206	6,292,935	6,407,791	114,856

The net increase of $114,856 will provide $152,606 for inflationary cost increases, consisting of $68,673 for increases effective for part of 1986 and $83,933 for increases anticipated in 1987 offset, in part, by net non-recurring costs of $37,750 related to programming changes in 1986.

II. FUNDS

F. Home Leave and Transfer Costs (1985 Actual, $1,933,060; 1986 Estimate, $2,628,311; 1987 Estimate, $2,980,483; Increase, $352,172).

This activity provides for travel and transportation costs related to the transfer of Foreign Service personnel and third country nationals to and from overseas VOA installations, and the assignment of Agency staff (Foreign Service and domestic) to and from radio broadcast operations in the United States. The following schedule shows the number of trips and the amounts required in connection with the maintenance of staff at existing installations and at the construction of new facilities.

	1985 Actual		1986 Estimate		1987 Estimate		Increase or Decrease (-)	
	Trips	Amount	Trips	Amount	Trips	Amount	Trips	Amount
Appointment	96	$979,512	186	$1,517,168	198	$1,811,561	12	$294,393
Separation (Incl. Retirement)..	7	73,970	6	40,248	6	42,341	--	2,093
Home Leave and Return	18	124,745	23	168,125	23	176,868	--	8,743
Home Leave and Transfer	19	256,953	21	230,775	21	242,775	--	12,000
Direct Transfer	32	464,066	43	594,095	43	624,987	--	30,892
Dependent Travel & Separate Shipment of Effects	18	33,814	14	50,000	14	52,600	--	2,600
Storage	--	--	7	27,900	7	29,351	--	1,451
Home Service Transfer Allowance	--	--	--	--	--	--	--	--
Total	190	1,933,060	300	2,628,311	312	2,980,483	12	352,172

The net increase of $352,172 results from an increase of $240,000 for additional trips related to appointment travel for new positions requested in 1987 for the Caribbean/Central America, Botswana, and Israel relay station projects; and $112,172 for full-year and new inflationary price increases.

TELEVISION AND FILM SERVICE

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Summary of Requirements	$22,051,155 a/	$26,745,654	$30,363,800	$3,618,146

General Statement

The Television and Film Service (TV) produces, acquires, adapts and/or contracts for film and videotape programs for use overseas to help advance U.S. foreign policy and individual country informational and cultural objectives. Invited audiences at U.S. Embassies, USIS posts, binational centers, libraries and elsewhere view these programs via television and/or direct projection. Many of our productions are designed for specialized audiences in one foreign country while others are planned for release in several languages for multiple foreign countries.

Additional program material, consistent with USIA goals, is produced and distributed through cooperative arrangements with foreign media representatives. Facilitative assistance is also given to many foreign television and motion picture crews visiting the United States to report on the varied aspects of the American way of life and the democratic process for use in foreign broadcasts. Many of the Television and Film Service's products (original and acquired) are made available in non-U.S. videotape standards, both for public television use and for loan to the increasing number of foreign institutions with videotape playback and motion picture equipment.

In FY 1985, USIA continued to enhance its ability to reach worldwide audiences through its television network. In addition to regular WORLDNET interactive telecasts via satellite to countries throughout the world, USIA initiated in April, 1985 a two-hour daily live telecast via satellite to Europe which includes a half-hour news program AMERICA TODAY, another half-hour feature titled ALMANAC (which highlights American cultural achievements and well known personalities) and other features. This daily two-hour telecast is received by more than 20 Embassies/USIS posts in Europe. Much of this material is transmitted with television placement rights. As of January, 1986, cable television networks and TV closed circuits in hotels in Britain, Belgium, Luxembourg, Switzerland, Denmark, Netherlands, France, Morocco, Finland, Norway and Sweden broadcast a total of 70 and 1/2 hours of our material daily.

WORLDNET interactive programs have reached 54 countries in Europe, Africa, Latin America and East Asia, and have developed into an unprecedented and extraordinary communication tool of public diplomacy. From its inception through January, 1986, 166 WORLDNET programs have been broadcast to a worldwide audience of more than 2 billion people.

In late FY 1986, USIA plans to extend its WORLDNET network capability to the American Republics on a cost effective basis similar to arrangements it currently has for distributing its programs via satellite to Europe. TVROs (television receive only antennas)

---

a/ For comparative purposes, includes $3,325 in 1985 for programs that were transferred from the former Special Foreign Currency Program appropriation to the regular dollar account in 1986.

are scheduled to be installed at 35 sites, either at our Embassies or USIS posts. This will complement the European network and provide the Agency and other government elements and offices with daily communication capability with these posts for programming or other needs. Radio frequency and structural surveys are underway in Brazil and East and South Asia in preparation for the installation of TVROs which will permit direct access to the satellite for receipt of WORLDNET daily feeds in late 1986.

To capitalize on the immense and growing importance of home video cassette viewing, in 1985 USIA continued in its efforts to develop a worldwide video library program. Beginning in late 1984 with a test group of ten prototype posts in Europe, Latin American, Africa, the Middle East and East Asia, the program has progressed to an 800 title catalog and 88 participating posts as of January 1985.

The 1987 estimate for the Television and Film Service totals $30,363,800. This amount is part of the overall 1987 budget level proposed by the Administration to enable USIA to consolidate the rebuilding and enhancement of the Agency's program capabilities accomplished or planned prior to the 1986 reductions required by the Balanced Budget and Emergency Deficit Control Act of 1985. In recognition of this, the 1986 cuts will be accommodated largely through deferrals and one-time reductions.

This document reflects a uniform application of the overall 4.3 percent reduction to each major program activity. However, the Agency is still assessing the impact of an overall 4.3 percent reduction in the Salaries and Expenses account and we expect that the reduction will not be applied evenly to all elements in order to avoid especially disruptive effects on staff, facilities and certain programs. An approximate cut of that magnitude in the Television and Film Service would require the following types of illustrative reductions: a decrease in the number of documentaries produced; less coverage of major U.S. political and international events and a reduction in facilitative assistance to foreign television broadcasters; and fewer videotapes being made available to USIS posts for their video libraries. The start-up date of the daily feeds in Spanish to the American Republics and to Brazil (in Portuguese) would be delayed also until the end of Fiscal Year 1986.

The increase of $3,618,146 is requested to consolidate and continue programs at levels established under the 1986 Appropriations Act (P.L. 99-180). The funds will provide $1,633,055 for full-year costs of 72 positions added in 1986 to expand WORLDNET daily service in Spanish to Latin America ($495,482 and 32 positions) and in Portuguese to Brazil ($1,137,573 and 40 positions, including production, technical and program support personnel); $3,230,371 to annualize program costs for expanding WORLDNET daily service in Spanish to Latin America ($1,622,966), Portuguese to Brazil ($443,343) and English to East Asia ($1,164,062); $236,039 for full-year and new price increases; and $1,214,681 for other built-in increases, mainly adjustments to sustain programs affected in 1986 by reductions under the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177).

These increases are partially offset by the non-recurring costs of $716,000 for TVROs and $1,980,000 for equipment purchased in FY-86 as part of the coutinual modernization and replacement of TV's technical facilities.

TELEVISION AND FILM SERVICE

Summary of Requirements

	1985 Actual a/	Revised 1986 Estimate	1987 Estimate	Revised Increase or Decrease (-)	Page Ref.
POSITIONS:					
Domestic	247	319	319	—	13-4
FUNDS:					
A. Domestic Employee Compensation and Benefits	$ 8,295,318	$10,429,544	$12,075,542	$ 1,645,998	13-4
B. Program Activity Costs:					
1. TV Production and Acquisitions	10,267,357	11,242,557	16,324,808	5,082,251	13-5
2. TV Technical Plant Operations	2,209,066	2,994,397	1,014,397	-1,980,000	13-8
3. TV Miscellaneous Costs and Production Services	1,279,894	841,894	949,053	107,159	3-9
Sub-total, Activity Costs	13,756,317	15,078,848	18,288,258	3,209,410	
Total, Gross Funds (Comparative Basis)	22,051,635	25,508,392	30,363,800	4,855,408	
C. Deduct Reimbursements	-480	—	—	—	
Total, Direct Funds (Comparative Basis)	22,051,155	25,508,392	30,363,800	4,855,408	

a/ For comparative purposes, includes $3,325 in 1985 for programs that were transferred from the former Special Foreign Currency Program appropriation to the regular dollar account in 1986.

TELEVISION AND FILM SERVICE

Explanation of Requirements

FUNDS:

A. Domestic Employee Compensation and Benefits (1985 Actual, $8,295,318; 1986 Estimate, $10,429,544; 1987 Estimate, $12,075,542; Increase, $1,645,998).

Office and Location	1985 Actual		1986 Estimate		1987 Estimate		Increase or Decrease (-)	
	Pos.	Funds	Pos.	Funds	Pos.	Funds	Pos.	Funds
Office of the Director	8	$ 295,328	8	$ 306,464	8	$ 306,815	—	$ 351
Executive Staff	15	553,755	22	652,117	22	740,490	—	88,373
International Communication Media Staff	7	258,417	7	268,156	7	268,463	—	-307
Office of Policy, Planning and Area Coordination	13	479,921	14	509,075	14	522,174	—	13,099
Office of News and Current Events	60	1,899,341	96	2,969,562	96	3,700,534	—	730,972
Office of Facilities	103	3,269,833	131	4,132,189	131	4,943,416	—	811,227
Office of Program Services	41	1,538,723	41	1,591,981	41	1,593,650	—	1,669
Total, Domestic Employees ...	247	8,295,318	319	10,429,544	319	12,075,542	—	1,645,998

The increase of $1,645,998 in 1987 is requested to provide $12,943 for within-grade salary increases in 1987 and annualization of FICA rate increases and $1,633,055 for full-year costs of 72 new positions added in 1986 primarily to expand WORLDNET to a daily service in Spanish to Latin America ($495,482, 32 positions) and Portuguese to Brazil ($1,137,573, 40 positions, including production, technical and program support personnel).

TELEVISION AND FILM SERVICE

Explanation of Requirements

B. Program Activity Costs: (1985 Actual, $13,756,317; 1986 Estimate, $17,517,848; 1987 Estimate, $18,288,258; Increase, $770,410).

1. TV Production and Acquisitions (1985 Actual, $10,267,357; 1986 Estimate, $13,581,557; 1987 Estimate, $16,324,808; Increase, $2,743,251).

This category includes funds for the following:

a. TV Satellite File -- The objective of this half-hour news program is to supply selected overseas markets with up-to-date policy statements, backgrounders and analyses and reports of events relevant to U.S. Government policy and contemporary American life. Brief film stories of developments in energy, space, agriculture and other topics advantageous to the U.S. image which are of interest to foreign audiences are also produced and/or acquired for these transmissions. This material is intended primarily for placement on overseas television and can also be used for closed circuit television briefings for foreign journalists and high-ranking officials.

b. WORLDNET -- WORLDNET is USIA's television network linking, via satellite, our Washington studios with American Embassies abroad. In addition to a two-hour daily service to Europe, WORLDNET provides closed circuit interactive programs. Through these interactive programs, via a one-way video and two-way audio signal, U.S. newsmakers can discuss the issues of the day with foreign journalists and other opinion leaders gathered at these Embassies. The network provides foreign media with direct access to key U.S. officials as events are breaking. WORLDNET provides our key policymakers with a previously unattainable degree of media access. In late 1986, the WORLDNET daily service will expand to include the American Republics (Spanish to Latin America and Portuguese to Brazil) and East Asia.

c. General Thematic -- The overall thrust of this activity is to conceive, develop and produce television and film program materials in response to the needs, suggestions and requests from field posts in order that Agency themes and positions may be made available to foreign broadcasters and other national audiences.

d. Current Events Programming -- These funds support facilities and talent vendors as needed by the Agency to provide coverage of news and ceremonial events requested by foreign governments and to provide aid and assistance to foreign producers sent to the U.S. for such coverages. The coverage requests frequently involve use of editing and satellite feeds at the USIA Washington studios.

e. Media Resources -- This activity provides for the acquisition from private sources of motion picture and television programs which serve Agency objectives for use by USIA posts overseas, and acquires materials for use on the WORLDNET daily programs.

f. Language Versions — The Language Version Division produces foreign language versions of USIA acquired and produced film and videotape program materials as requested by the USIA overseas posts or recommended by the Media Resources and Production staffs. To implement this assignment, Language Version acquires and utilizes the services of simultaneous interpreters used in the production of WORLDNET telecasts and translators.

g. Distribution — This category is used for delivery of videotapes produced in Washington to field posts.

h. MIP Film Festival — The Market International des Programme des Television (MIP-TV) is the world's largest marketplace for international television sales. Over 300 networks from over 107 countries are represented during the six-day conference. MIP-TV is the world's foremost arena for meeting senior program/broadcast executives, especially heads of feature, science and programming departments who are instrumental in the placement of Television and Film Service's WORLDNET programs, Science World, TV Satellite File, American Images and for the negotiation of TV co-ops.

i. China Film Festival — These funds were used to prepare, in Chinese Versions, the feature film introductions, shipment of the film prints to China, publicity and related interpretive material, travel and related expenses for the five-person U.S. delegation and two escorts to China, and the Chinese delegation visiting the U.S.

j. Office of Program Services — This office is responsible for expanding the placement of Agency television and film products through direct contacts with U.S.-based or visiting foreign television and film representatives; by developing new marketing approaches, supplying promotional materials on new products, overseas contacts and marketing at international expositions, and through co-production and other assistance to foreign producers and/or crews in the U.S. This office also develops marketing tools (i.e. TV bi-weekly newsletter, brochures, flyers, videotapes, etc.) which will improve the use of our products and services by foreign broadcasters, private producers and distributors and others connected with our media, to provide direct contact with professional broadcasters, other media representatives, universities, government contacts, etc., for the purpose of exposing U.S. Government policies and the U.S. society to foreign media, cultures and opinion-molding invididuals.

k. Video Library — The Video Library offers programs to foreign audiences on a variety of subjects ranging from the performing arts to documentaries on agriculture to U.S. history. All Video Library products with the exception of commercial feature films are available on loan to these audiences free of charge.

TELEVISION AND FILM SERVICE

Activity	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
a. TV Satellite File	$ 976,694	$1,350,780	$ 1,350,780	$ —
b. WORLDNET	7,911,524	10,048,510	12,791,761	2,743,251
c. General Thematic	232,636	576,212	576,212	—
d. Current Events	159,742	549,443	549,443	—
e. Media Resources (formerly Acquisitions) .	195,977	224,774	224,774	—
f. Language Versions	192,209	245,000	245,000	—
g. Distribution	23,402	67,180	67,180	—
h. MIP Film Festival	45,019	19,408	19,408	—
i. China Film Festival	71,235	—	—	—
j. Program Services (formerly International Marketing)	223,635	275,000	275,000	—
k. Video Library	235,284	225,250	225,250	—
Total	10,267,357	13,581,557	16,324,808	2,743,251

The net increase of $2,743,251 is requested to provide $3,230,371 for full-year costs of expanding the WORLDNET daily service in Spanish to Latin America ($1,622,966, consisting of $810,000 for satellite transmissions, $116,000 for equipment, and $696,966 for production costs), Portuguese to Brazil ($443,343 for production costs), and English to East Asia ($1,164,062, consisting of $777,475 for satellite transmissions, $306,000 for TVROs, and $80,587 for production costs); and $228,880 for price increases, consisting of $103,025 for increases effective for part of 1986 and $125,855 for increases anticipated in 1987. These increases are partially offset by non-recurring costs of $716,000 for TVROs purchased in 1986.

TELEVISION AND FILM SERVICE

Explanation of Requirements

2. TV Technical Plant Operations (1985 Actual, $2,209,066; 1986 Estimate, $2,994,397; 1987 Estimate, $1,014,397; Decrease, $1,980,000).

This estimate includes funds for (1) the modernization and replacement of technical equipment, minor construction and space alterations; (2) maintenance and repair of technical equipment, purchase or replacement parts, scenic and graphic supplies, materials and services; and (3) TV Engineering which provides technical systems designs and analysis for the WORLDNET satellite delivery system and TVRO radio frequency and structural site surveys.

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
1. Technical Equipment and Plant Modifications	$1,723,971	$2,325,500	$125,500	$-2,200,000
2. Maintenance, Supplies and Other Services	346,776	388,897	608,897	220,000
3. TV Engineering	138,319	280,000	280,000	—
Total	2,209,066	2,994,397	1,014,397	-1,980,000

The net decrease of $1,980,000 results from non-recurring costs of $2,200,000 for equipment purchased in 1986 to expand the Reproduction and Conversion Center, renovate the audio control and film mix studio and off-air recording section, and purchase and install new video switchers for Studio A, a new distribution amplifier and a full plant intercom system. This decrease is partially offset by increased maintenance costs of $220,000.

TELEVISION AND FILM SERVICE

Explanation of Requirements

3. TV Miscellaneous Costs and Production Services (1985 Actual, $1,279,894; 1986 Estimate, $941,894; 1987 Estimate, $949,053; Increase, $7,159).

This estimate includes funds for (1) program direction travel by principal officers of the Television and Film Service; and (2) program and general supplies, film editing, laboratory services and supplies, music services equipment and maintenance, screening services, film selection for international festivals, printing, reproduction and shipping.

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
1. General Travel	$ 465,707	$685,076	$692,235	$ 7,159
2. Production Services, Supplies and Program Support	814,187	256,818	256,818	—
Total	1,279,894	941,894	949,053	7,159

The increase of $7,159 requested in 1987 will provide $3,222 for the full-year costs of 1986 price increases and $3,937 for price increases anticipated in 1987.

EDUCATIONAL AND CULTURAL AFFAIRS

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Summary of Requirements	$33,071,875[a]	$35,634,106[a]	$37,762,600	$2,128,494

General Statement

The Bureau of Educational and Cultural Affairs (E) manages programs authorized by the Mutual Educational and Cultural Exchange Act of 1961 (Fulbright-Hays Act), including academic exchanges of American and foreign graduate students, teachers, scholars and specialists, and grants for foreign leaders and professionals to make short-term visits to the United States. It includes support functions related to these activities, such as the Presidentially appointed Board of Foreign Scholarships and operation of Reception Centers for foreign visitors. The Bureau also includes a variety of facilitative programs which enhance and supplement existing public and private efforts in the field of international educational and cultural exchange. These involve cooperative programs with the private sector designed to accomplish mutual objectives in public diplomacy and international relations; programs for youth and non-sponsored students; and the arrangement of special programs for selected foreign individuals and groups visiting the United States under other than U.S. Government sponsorship. Additionally, the Bureau provides policy guidance for Government-wide exchange programs; coordinates the Executive Branch relationship with the East-West Center; provides support for foreign student advisory services and provides facilitative assistance to American-sponsored elementary and secondary schools abroad. In addition to traditional exchange program activities, the Bureau of Educational and Cultural Affairs is responsible for coordinating support to activities which promote the establishment and development of American studies overseas; for the support of the Agency's worldwide libraries, binational centers, and English teaching activities; for the promotion of distribution and translation of serious American books overseas; and for the support of the Presidentially appointed Cultural Property Advisory Committee.

Under the Presidential directive to "encourage, aid and sponsor the broadest possible exchange of people and ideas between our country and other nations," our broad objectives are to promote U.S. foreign policy interests and advance mutual understanding through the interchange of people, ideas and knowledge. Specific programs are designed to: develop foreign understanding of the United States and American understanding of other societies; provide common address to major international problems; advance the state of knowledge in the U.S. and abroad; develop capacity in the U.S. and in other nations to cope with an interdependent world; and invest in outstanding individuals, foreign and American.

To further these objectives, the Agency will continue to seek improvement in the successful Government-sponsored exchange programs it presently administers; to encourage private institutions to develop their own forms of exchange, which support the Agency's foreign policy objectives; to assist those private exchange programs that are in the broadest national interest; and to provide counsel and information on international exchange programs to other government agencies.

[a] For comparative purposes, includes $214,954 in 1985 and $79,742 in 1986 for programs in Educational and Cultural Affairs that are transferred from the former Special Foreign Currency Program appropriation.

EDUCATIONAL AND CULTURAL AFFAIRS

This section of the budget funds the staff that administers exchange-of-persons programs, including the Fulbright, International Visitor, Humphrey Fellowship, Congress-Bundestag, Private Sector exchanges and the Central American Undergraduate Scholarship Program. Grant costs for these specific exchange programs are funded separately in the Educational and Cultural Exchange Programs appropriation account. In addition, this section of the budget includes staff and program support costs for the President's International Youth Exchange program, American-sponsored schools abroad, book programs and binational centers including their activities to implement the Central American Initiative, U.S.-operated libraries and reading rooms abroad, English Teaching programs, and other educational and cultural activities.

To implement the Central American Initiative, the Bureau in 1985 provided library material and equipment to Binational Centers, conducted training seminars/workshops for Binational Center English teachers, supervisors and librarians, and recruited English Teaching and Library Fellows to work in the area. The Bureau also began to upgrade the core collection of English Teaching materials and library collections. The need for an expanded Spanish Book Program was presented in detail by the National Bipartisan Commission on Central America. To address this problem, the Agency began in 1985 purchasing significant titles in Spanish to supplement the current collections in Central American libraries and universities, as well as working with publishers in Barcelona, Mexico City, and Buenos Aires to have American books translated into Spanish, published, and distributed to the Central American nations. In 1986 and 1987 the Bureau will continue these programs.

The 1987 estimate for Educational and Cultural Affairs totals $37,762,600. This amount is part of the overall 1987 budget level proposed by the Administration to enable USIA to consolidate the rebuilding and enhancement of the Agency's program capabilities accomplished or planned prior to the 1986 reductions required by the Balanced Budget and Emergency Deficit Control Act of 1985. In recognition of this, the 1986 cuts will be accommodated largely through deferrals and one-time reductions.

This document reflects a uniform application of the overall 4.3 per cent reduction to each major program activity. However, the Agency is still assessing the impact of an overall 4.3 per cent reduction in the Salaries and Expenses account, and we expect that the reduction will not be applied evenly to all elements in order to avoid especially disruptive effects on staff, facilities, and certain programs. An approximate cut of that magnitude in Educational and Cultural Affairs would require the following types of illustrative reductions: reduced funding for overseas schools, youth exchange, student support services, and English teaching materials and a substantial reduction in funds available for staff travel and administrative expenses.

The increase of $2,128,494 is requested to consolidate and continue programs at levels established under the 1986 Appropriations Act (P.L. 99-180). The funds will provide for full-year and new price increases, full-year costs of new positions added in 1986 related to expansion of worldwide book programs and academic/international visitor exchange programs, and other built-in changes, including adjustments to sustain programs affected in 1986 by reductions under the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177).

EDUCATIONAL AND CULTURAL AFFAIRS

Summary of Requirements

	1985 Actual a/	Revised 1986 Estimate a/	1987 Estimate	Revised Increase or Decrease (-)	Page Ref.
I. POSITIONS					
Domestic	366	371	371	--	14-5
Overseas American	24	26	26	--	14-5
Foreign National	11	13	13	--	14-6
Total, Positions	401	410	410	--	
II. FUNDS					
A. Employee Compensation & Benefits	$15,179,445	$16,326,609	$16,475,401	$148,792	14-5
B. International Youth Exchange, Academic & Institutional Support					
1. Internat'l Youth Exchange ...	5,016,791	4,565,000	5,486,130	921,130	14-8
2. Academic Programs					
a. Student Support Services .	3,677,029	3,471,265	3,774,265	303,000	14-8
b. Study of the U.S.	818,125	429,574	529,574	100,000	14-9
c. Bd. of Foreign Scholarships	13,195	19,000	19,000	--	14-9
S/T, Academic Programs .	4,508,349	3,919,839	4,322,839	403,000	
3. Support to Overseas Schools .	2,786,159	2,458,750	3,030,860	572,110	14-10
4. Artistic Ambassador Program .	81,091	89,000	104,000	15,000	14-10
Total, International Youth Exchange, Academic and Institutional Support	12,392,390	11,032,589	12,943,827	1,911,240	
C. Cultural Centers and Resources .	4,892,691	6,785,990	7,479,545	693,555	14-11
D. Pgm Direction & Administration .	953,416	795,650	974,025	178,375	14-14
Total, Gross Funds (Comparative Basis)	33,417,942	34,940,838	37,872,800	2,931,962	
E. Deduct Reimbursements	-346,067	-110,200	-110,200	--	
Total, Direct Funds (Comparative Basis)	33,071,875	34,830,638	37,762,600	2,931,962	

a/ For comparative purposes, includes $214,954 in 1985 and and $79,742 in 1986 for programs in Educational and Cultural Affairs that are transferred from the former Special Foreign Currency Program appropriation.

ADMINISTRATIVE SUPPORT FROM OTHER AGENCIES

	1985 Actual[a]	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Summary of Requirements	$39,718,167	$41,711,940	$50,091,900	$8,379,960

General Statement

This activity covers the Agency's reimbursement to the Department of State for its share of the cost of Distributed Administrative Support (DAS), to the General Services Administration for space and standard levels of service provided under the Federal Building Rent System, and to the Department of Defense for world-wide postal services.

The 1987 estimate for this activity totals $50,091,900. This amount is part of the overall 1987 budget level proposed by the Administration to enable USIA to consolidate the rebuilding and enhancement of the Agency's program capabilities accomplished or planned prior to the 1986 reductions required by the Balanced Budget and Emergency Deficit Control Act of 1985. In recognition of this, the 1986 cuts will be accommodated largely through deferrals and one-time reductions.

This document reflects a uniform application of the overall 4.3 per cent reduction to each major program activity. However, the Agency is still assessing the impact of an overall 4.3 percent reduction in the Salaries and Expenses account, and we expect that the reduction will not be applied evenly to all elements in order to avoid especially disruptive effects on staff, facilities, and certain programs. In the short term, it would be particularly difficult to affect savings of this magnitude in these administrative support reimbursements covering large fixed costs for staff, office and residential space, utilities and similar inflexible expenses.

The increase of $8,379,960 is requested to consolidate and continue programs at levels established under the 1986 Appropriations Act (P.L. 99-180). The funds will provide for increased reimbursements to the Department of State and the General Services Administration for the conversion of certain positions filled by Soviet citizens with contract Americans, overseas wage-scale and price increases, rate increases in the cost of rent, utilities, and other services for domestic space, and other built-in changes, including adjustments to sustain programs affected in 1986 by reductions under the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177).

---

[a] For comparative purposes includes $587,176 in 1985 for DAS reimbursements that were transferred from the former Special Foreign Currency Program appropriation to the Salaries and Expenses dollar account in 1986.

ADMINISTRATIVE SUPPORT FROM OTHER AGENCIES

Summary of Requirements

	1985 Actual[a]	Revised 1986 Estimate	1987 Estimate	Revised Increase or Decrease (-)	Page Ref.
A. Reimbursement to Department of State for Distributed Administrative Support	$20,420,558	$22,713,233	$24,544,218	$1,830,985	17-3
B. Reimbursement to General Services Administration for Standard Level User Charge	18,495,447	19,915,565	24,699,336	4,783,771	17-7
C. Reimbursement to Department of Defense for World-Wide Postal Services	848,346	848,346	848,346	--	17-9
Total, Gross Funds (Comparative Basis)	39,764,351	43,477,144	50,091,900	6,614,756	
D. Deduct Reimbursements	-46,184	--	--	--	
Total, Direct Funds (Comparative Basis)	39,718,167	43,477,144	50,091,900	6,614,756	

---

[a] For comparative purposes includes $587,176 in 1985 for DAS reimbursements that were transferred from the former Special Foreign Currency Program appropriation to the Salaries and Expenses dollar account in 1986.

ADMINISTRATIVE SUPPORT FROM OTHER AGENCIES

A. Reimbursement to the Department of State (1985 Actual, $20,420,558; 1986 Estimate, $22,822,233; 1987 Estimate, $24,544,218; Increase, $1,721,985).

The Agency reimburses the Department of State for a share of the Department's Distributed Administrative Support (DAS) costs. DAS represents those added costs for additional positions and administrative services necessary to bring the Department's administrative resources to the level which — when combined with the Department's personnel and other administrative "CORE" capability for its own traditional functions — enables it to provide administrative servicing required by other agencies operating abroad. USIA and other participating agencies are billed for their appropriate share of the DAS costs.

Support services provided by the Department fall into three categories: (1) the full range of administrative services for the Agency's overseas mission posts, radio relay stations, radio program centers, and other overseas regional support operations; (2) services in the United States which support the Agency's overseas operations, including communications between the Agency and its overseas posts, area and language training, medical services, family liaison services and regional finance centers and automated financial system operating and development support, plus the home leave and transfer costs of DAS American personnel; and (3) services in support of Agency operations in the United States including Foreign Service Retirement administration, the Board of Examiners for the Foreign Service, and translation services.

ADMINISTRATIVE SUPPORT FROM OTHER AGENCIES

Summary of Requirements

Administrative Support Category	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
At Overseas Posts	$16,102,893	$18,133,801	$20,044,915	$ 1,911,114
In the U.S., Overseas Operations	3,505,254	4,026,796	4,037,560	10,764
In the U.S., Agency Operations	812,411	661,636	461,743	-199,893
Total, Direct Funds	20,420,558	22,822,233	24,544,218	1,721,985

Explanation of Requirements

1. At Overseas Posts (1985 Actual, $16,102,893; 1986 Estimate, $18,133,801; 1987 Estimate, $20,044,915; Increase, $1,911,114).

Activity	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
a. Overseas Mission Operations:				
East Asia and Pacific	$ 1,477,885	$ 1,731,165	$ 1,814,260	$ 83,095
Africa	3,788,670	4,323,508	4,555,532	232,024
North Africa, Near East and South Asia	3,635,740	3,876,952	4,090,995	214,043
American Republics	1,754,124	1,842,765	1,953,584	110,819
West Europe	3,305,313	4,017,422	4,285,053	267,631
Soviet Union and East Europe	1,139,684	1,273,990	2,231,876	957,886
Sub-total, Overseas Mission Operations	15,101,416	17,065,802	18,931,300	1,865,498
b. Radio Installations	580,939	632,907	666,041	33,134
c. Other Regional Support	420,538	435,092	447,574	12,482
Total, Overseas Support	16,102,893	18,133,801	20,044,915	1,911,114

ADMINISTRATIVE SUPPORT FROM OTHER AGENCIES

The net increase of $1,911,114 is requested in 1987 to provide $959,018 for foreign national employee wage scale increases and cost increases for administrative services and materials which the Department of State provides the Agency overseas. Other increases are requested to provide $21,945 for within-grade increases for American and foreign national employees of the Department; $27,823 for full-year cost of exchange rate adjustments occurring through November 30, 1985; and $902,328 for the cost of implementing the provisions of P.L. 99-93 which requires employment of United States citizens to replace Soviet citizens at the diplomatic and consular missions in the Soviet Union.

Explanation of Requirements

	Overseas Increases		Within-Grade Salary Increases	Other Changes	Total Requirements
	Wage	Cost			
East Asia and Pacific	$ 37,603	42,043	$ 2,327	$ 1,122	$ 83,095
Africa	72,286	147,704	2,565	9,469	232,024
North Africa, Near East and South Asia	100,587	108,315	4,211	930	214,043
American Republics	73,126	42,949	3,623	-8,879	110,819
West Europe	142,134	93,362	6,679	25,456	267,631
Soviet Union and East Europe	11,103	39,308	1,166	906,309	957,886
Radio Installations	21,598	13,333	1,067	-2,864	33,134
Other Regional Support	6,731	6,836	307	-1,392	12,482
Total	465,168	493,850	21,945	930,151	1,911,114

ADMINISTRATIVE SUPPORT FROM OTHER AGENCIES

2. In the U.S., Overseas Operations (1985 Actual, $3,505,254; 1986 Estimate, $4,026,796; 1987 Estimate, $4,037,560; Increase, $10,764).

These estimates provide for Department of State costs against central accounts, primarily for costs in the U.S. for support to the overseas distributed administrative support program of the Department; support to Agency operations overseas; and training under programs administered by the Foreign Service Institute. The following items are included:

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
a. Foreign Service Institute:				
Overseas Area-Language Training	$ 494,515	$ 542,867	$ 565,375	$ 22,508
Washington Area-Language Training	648,305	896,340	809,410	-86,930
Other Training	65,000	257,601	247,101	-10,500
Sub-total	1,207,820	1,696,808	1,621,886	-74,992
b. Regional Finance Centers	640,108	711,293	741,166	29,873
c. Communication Costs	1,278,982	1,145,073	1,193,165	48,092
d. Shared Staff Home Leave and Transfer Costs	100,554	108,881	113,453	4,572
e. Medical Costs	257,790	269,741	269,741	--
f. Family Liaison Operations	20,000	20,000	20,000	--
g. Fire/Safety Inspections.............................	--	75,000	78,149	3,149
Total	3,505,254	4,026,796	4,037,560	10,764

The net increase of $10,764 in 1987 is requested to provide $108,194 for foreign national employee wage-scale and price increases for the Regional Administrative Management Centers in Bangkok and Paris and at overseas schools, air fare and shipping costs, medical expenses, and area and language training in the U.S. These increases are partially offset by a reduction of $97,430 resulting from fewer hires anticipated in 1987 for the Junior Officer Training Program.

3. In the U.S., Agency Operations (1985 Actual, $812,411; 1986 Estimate, $661,636; 1987 Estimate, $461,743; Decrease, $199,893).

This item covers the Department of State's costs incurred against Washington accounts for distributed administrative support provided for Agency operations in the United States. The following services are included in the estimates:

ADMINISTRATIVE SUPPORT FROM OTHER AGENCIES

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
a. Retirement Administration	$ 18,000	$ 18,276	$ 18,329	$ 53
b. Financial Systems Development	561,272	400,000	200,000	-200,000
c. Board of Examiners	188,139	196,698	196,698	--
d. Health Room	25,000	25,276	25,330	54
e. Translation Services	20,000	21,386	21,386	--
Total	812,411	661,636	461,743	-199,893

The net decrease of $199,893 results from non-recurring costs of $200,000 related to the conversion of the Agency's outdated domestic payroll system to the Department of State's Consolidated American Payroll Processing System (CAPPS), partially offset by an increase of $107 for within grade increases and FICA rate changes.

B. Reimbursement to General Services Administration (1985 Actual, $18,495,447; 1986 Estimate, $19,915,565; 1987 Estimate, $24,699,336; Increase $4,783,771).

The Agency reimburses the General Services Administration under the Federal Building Fund Rent System for space and for standard levels of service provided in Agency occupied buildings under the control of the Administrator of General Services. The basic rent rate relates to the effort necessary to service a five-day week, one shift operation. The rate varies from building to building and approximates commercial charges for equivalent office space, storage space and special space, such as studios for the Voice of America and the Agency's automatic data processing center. The rate also covers basic security, cleaning, heating and air conditioning, and maintenance and repair of all mechanical and electrical equipment.

In addition to the basic rent charges, these estimates cover fees to be paid to GSA for services supplied to Agency operations that extend beyond the normal 40-hour week (e.g., Voice of America, Operations Center, Wireless File) and other special services. The rates established for each type of space in a building are based on the geographic location and the quality rating of that building. The 1987 estimate of $24,699,336 is requested to provide space and services at the following locations for Agency personnel and facilities.

ADMINISTRATIVE SUPPORT FROM OTHER AGENCIES

Name of Building	Location	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
1. **Washington Locations**					
USIA Building	301 4th Street, S.W.	$ 7,977,703	$ 8,042,756	$ 7,837,825	$ -204,931
1750 Pennsylvania Avenue	1750 Penn. Ave., N.W.	40,961	--	--	--
HHS North	4th and C Sts., S.W.	4,933,530	5,443,622	9,213,787	3,770,165
HHS South	3rd and C Sts., S.W.	394,687	474,149	868,657	394,508
Patrick Henry Building	6th and D Street, N.W.	2,624,845	3,044,142	3,309,997	265,855
Matomic Building	1717 H Street, N.W.	3,164	--	--	--
Navy Yard	Navy Yard	10,623	16,542	14,837	-1,705
Auditors Building	14th and C Streets, S.W.	78,428	78,428	202,928	124,500
New Labor Building	200 Constitution Avenue, N.W.	11,923	--	--	--
Bicentennial Building	600 E Street, N.W.	15,109	22,107	26,473	4,366
National Press Building	14th and F Streets, N.W.	180,353	138,486	161,212	22,726
NASSIF	400 7th Street, S.W.	82,921	82,921	126,615	43,694
Agency Warehouse	4801 Stamp Rd., Temple Hills	225,836	225,041	228,133	3,092
Agency Warehouse	10 P Street, S.W.	4,972	--	--	--
Donohoe Building	400 6th Street, S.W.	--	301,809	394,579	92,770
Sub-total, Washington		16,585,055	17,870,003	22,385,043	4,515,040
2. **New York Locations**					
Internat'l Arrival Bldg.	JFK International Airport	7,641	7,642	7,712	70
18-20 East 50th Street	18-20 East 50th Street	99,680	46,730	--	-46,730
Federal Buildings 1 & 2	29th & 3rd Avenue	1,087,248	1,093,766	970,829	-122,937
1414 Avenue of Americas	1414 Avenue of Americas	125,907	56,060	--	-56,060
Jacob K. Javits Building	26 Federal Plaza	322,145	330,641	398,864	68,223
Consolidated New York Program Center		--	257,250	616,487	359,237
Sub-total, New York		1,642,621	1,792,089	1,993,892	201,803
3. **Other Locations in the U.S.**					
Six Locations		267,771	253,473	320,401	66,928
Total		18,495,447	19,915,565	24,699,336	4,783,771

The net increase of $4,783,771 is requested to provide $4,810,087 for rate increases in the cost of rent, utilities and other services as estimated by GSA; and $132,603 for the consolidation and expansion of the Foreign Press Center, Reception Center and Television and Film Services located in New York. These increases are partially offset by net savings of $158,919 primarily related to the expansion of the Voice of America and the Television and Film Service in 1986.

C. Reimbursement to the Department of Defense (1985 Actual, $848,346; 1986 Estimate, $848,346; 1987 Estimate, $848,346; No Change).

The Agency reimburses the Department of Defense for transportation costs associated with postal services provided to Agency personnel and their dependents abroad, based on world-wide postal services surveys. No change is proposed for 1987 from the 1986 budgeted amount.

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

General Statement

The "Salaries and Expenses (Special Foreign Currency Program)" appropriation, together with the balances available from prior years, was formerly used for payment of local program expenses in U. S.-owned foreign currencies in those countries where the Treasury Department determined that the supply of such currencies was excess to the normal requirements of the U. S. Government. In 1985, these "excess currency" countries were Burma, Guinea, India, Pakistan, and Poland. However, the designation of India (which accounted for approximately one-half of the Agency's program costs formerly funded in this account) as an "excess currency" country was terminated by the Department of the Treasury at the end of 1985. Since the reduced foreign currency requirements for 1986 and future years that resulted from this change were not sufficient to warrant the administrative costs associated with the maintenance of a separate foreign currency appropriation, it was merged with the regular Salaries and Expenses (S&E) dollar and Educational and Cultural Exchange Programs (for academic, international visitor, and other traditional exchange programs) in 1986.

The remaining balances available from prior-year appropriations, totaling $2,966,824, are being utilized in 1986 to fund part of the regular overseas missions, Voice of America, and other program activities in Burma, Guinea, Pakistan, and Poland. Requirements for these programs in excess of the available prior-year balances are funded in the 1986 regular S&E dollar account. Although these latter payments will be charged to the S&E dollar account, the expenditures will be made from the local currencies owned by the U. S. Government.

For purposes of comparability, the detailed information on obligations funded from the Special Foreign Currency account in fiscal years 1985 and 1986 are shown in the justifications for the S&E dollar account. A recapitulation of these costs and foreign national positions by Agency element is provided on the following pages.

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

Recapitulation of Direct Obligation Requirements

	1985 Actual	1986 Estimate	1987 Estimate
Overseas Missions:			
East Asia and Pacific	$ 149,210	$ 145,692	$ —
Africa	211,820	185,897	—
North Africa, Near East, and South Asia:			
India, USIS and RPO	4,982,955	—	—
Pakistan	2,027,243	2,212,933	—
Area-Wide	161,310	21,066	—
Sub-total, North Africa, Near East, & S. Asia	7,171,508	2,233,999	—
Soviet Union and East Europe	—	141,705	—
World-Wide Mission Costs	13,537	—	—
Total, Overseas Missions	7,546,075	2,707,293	—
Voice of America	305,511	171,204	—
Television and Film Service	3,325	—	—
Educational and Cultural Affairs	1,391,358 a/	79,742	—
Program Coordination, Production, and Support	75,090	—	—
Agency Direction and Management	39,086	8,585	—
Administrative Support from Other Agencies	587,176	—	—
Total, Direct Obligations	9,947,621	2,966,824	—
Reconciliation to Appropriation:			
Recoveries of Prior Year Obligations	-1,705,665	—	—
Available from Prior Years	-3,208,780	-2,966,824	—
Available in Subsequent Years	2,966,824	—	—
Total Enacted Appropriation	8,000,000	—	—

a/ Includes $1,176,404 in 1985 for academic and other traditional exchange programs that were transferred to the Educational and Cultural Exchange Programs Appropriation in 1986.

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

Recapitulation of Foreign National Employee Position Requirements

	1985 Actual	1986 Estimate	1987 Estimate
Overseas Missions:			
East Asia and Pacific	24	24	--
Africa	4	4	--
North Africa, Near East, and South Asia	393	102	--
Soviet Union and East Europe	--	25	--
Total, Overseas Missions	421	155	--
Voice of America	4	1	--
Total, Positions	425	156	--

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Summary of Requirements	$141,176,404[a]	$134,458,500	$166,566,000	$32,107,500

General Statement

This appropriation provides funding for selective programs authorized by the Mutual Educational and Cultural Exchange Act of 1961, as amended, including academic exchanges and grants for foreign leaders and professionals to make short-term visits to the United States. It also provides for Hubert H. Humphrey Fellowships to foreign national mid-career professionals and for the Congress-Bundestag Exchange Program initiated in 1984. USIA operates a variety of cooperative programs with the private sector designed to accomplish mutual objectives in public diplomacy and international relations. It also arranges special programs for selected foreign individuals and groups visiting the United States under other than U.S. Government sponsorship.

To meet the social and economic objectives outlined by the National Bipartisan Commission on Central America, the Agency instituted a pilot undergraduate scholarship program in 1986. It has the following broad objectives: to improve the range and quality of educational alternatives for Central Americans of limited financial means; to match educational opportunities with skill shortages in Central America; and to build lasting links between the U.S. and Central America. In 1986, 154 students were provided with scholarships for up to 30 months of study at U.S. institutions of higher education. Forty of the grantees are public school teachers. The other two-thirds are upper level students enrolled in Central American universities.

The Agency is also expanding the traditional Fulbright academic exchange in Central America in 1986. We expect to provide grants for approximately 157 Central America students to undertake two year programs of graduate studies in U.S. universities and about 66 grants for graduate training of university faculty. We will provide approximately 50 grants for Central America Scholars and lecturers to work and study in the United States and about 51 grants for American researchers and lecturers to teach and study in cooperation with Central American Universities. We also expect to provide grants to establish academic affiliations between five U.S. and five Central American Universities. This appropriation provides for the continuation of this level of exchanges activity in 1987.

Program enhancements proposed in 1987 will increase academic exchanges relating to secondary schools, including expanding exchanges of secondary school level teachers bwtween the United States and developing countries in Africa, Latin America and Asia and increasing the number of education officials and experts coming to this country for consultation on secondary education issues. The enhancements also increase the number of grants for disadvantaged South African students; provide for a new program of non-degree academic grants for professionals from newly industrializing countries; increase grants for U.S. graduate students to study abroad under the Fulbright Program; increase the number of short-term grants to Americans to consult abroad with foreign counterparts at the request of U.S. embassies; expand exchanges with the Soviet Union; provide for exchange activities directly supporting the celebration of the Bicentennial of the Constitution; expand university-to-university linkages; and increase the number of Humphrey Fellowships.

---

[a] For comparative purposes, includes $1,176,404 in 1985 for exchange programs in India and Pakistan that were transferred from the former Special Foreign Currency Program appropriation to the Educational and Cultural Exchange Programs account in 1986.

The staff and support to administer the exchanges noted above, as well as other exchanges and exchange related activities (i.e., international youth exchange, Board of Foreign Scholarships, student support, studies of the U.S., and libraries, reading rooms, cultural centers and related resources) are funded from the Agency's Salaries and Expenses (S&E) appropriation.

An increase of $32,107,500 is requested in 1987 to provide $6,457,098 to cover mandatory cost increase; $9,362,222 to expand exchange programs as noted above; $6,041,500 to sustain programs affected in 1986 by reductions under the Balanced Budget and Emergency Deficit Control Act of 1985; and $14,577,180 to offset a decrease in prior-year balances available for application to programs in 1987, principally for expanded programs in Central America. These increases are offset, in part, by non-recurring costs of $4,330,500 for one-time costs in 1986 for the International Games for the Handicapped, unobligated balances carried into 1986 for the Eisenhower Exchange Fellowship program, and other special projects.

In 1986, the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177) requires a 4.3 percent reduction in the Exchange Programs account. While the detailed cuts have not been determined yet, the reduction will require decreases in the number of Fulbright awards, international visitors, and private sector grants, as well as reduced funding for the Eisenhower Foundation, the Pan-American Games, Games for the Handicapped, the Congress-Bundestag exchanges, and Bicentennial related university affiliation linkages.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

Summary of Fund Requirements

	1985 Actual[a]	1986 Estimate	1987 Estimate	Increase or Decrease (-)	Page Ref.
I. FUNDS					
A. Academic and International Visitor Programs:					
1. Academic Exchanges	$ 93,783,606	$110,426,881	$122,508,493	$12,081,612	4
2. International Visitor Exchanges	34,858,062	40,442,956	42,710,616	2,267,660	4
Subtotal, Academic and IV Programs	128,641,668	150,869,837	165,219,109	14,349,272	
B. Hubert H. Humphrey Fellowships	4,396,513	4,891,500	5,479,000	587,500	38
C. Congress-Bundestag Exchange	2,494,281	2,561,000	2,561,000	—	38
D. Private Sector Programs	7,904,303	14,341,960	10,894,008	-3,447,952	39
Total, Funds (Comparative Basis)	143,436,765	172,664,297	184,153,117	11,488,820	
E. Deduct:					
1. Foreign Government Contributions	-11,288,628	-11,288,628	-11,288,628	—	
2. Funds on Hand, Binational Commissions	-4,072,906	-4,298,489	-4,298,489	—	
3. Reimbursements	-1,478,001	-2,000,000	-2,000,000	—	
Total Direct Funds (Comparative Basis)	126,597,230	155,077,180	166,566,000	11,488,820	
F. Pro-rata Reduction Pursuant to P.L. 99-177	—	-6,041,500	—	6,041,500	
Revised Total, Direct Funds (Comparative Basis)	126,597,230	149,035,680	166,566,000	17,530,320	
Reconcilation to appropriation					
Add Unobligated Balances Lapsing	1,994	—	—	—	
Deduct Balances Carried In	—	-14,577,180	—	14,577,180	
Add Balances Carried Out	14,577,180	—	—	—	
Enacted and Estimated Appropriations (Comparative Basis)	141,176,404	134,458,500	166,566,000	32,107,500	

[a] For comparative purposes, includes $1,176,404 in 1985 for exchange programs in India and Pakistan that were transferred from the former Special Foreign Currency Program appropriation to the Educational and Cultural Exchange Programs account in 1986.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

Explanation of Requirements

I. FUNDS

A. Academic and International Visitor Exchanges (1985 Actual, $128,641,668; 1986 Estimate, $150,869,837; 1987 Estimate, $165,219,109; Increase, $14,349,272).

This section covers the basic exchange-of-persons program authorized by the Mutual Educational and Cultural Exchange Act of 1961. It includes academic exchanges of American and foreign graduate students, teachers, scholars and specialists, and grants for foreign leaders and professionals who make short-term visits to the United States. In addition to grants to individuals, it includes related support services and facilitative programs which enhance and supplement existing public and private efforts in the field of international educational and cultural exchanges. The estimates reflect all sources of funding and, in addition to funds requested in this appropriation, include foreign government contributions to cost sharing agreements; funds on hand at Binational Commissions and Foundations, including interest earned; and reimbursements from other Government agencies. To the extent possible, all funds related to these programs are distributed to the appropriate geographic area and to countries within each area. The total program requested for 1987 is $165,219,109. This consists of $147,749,452 of new budget authority requested under this appropriation; $1,882,540 in reimbursements; $4,298,489 in Binational Commission reserves; and $11,288,628 in anticipated contributions from foreign governments.

The 1987 appropriation request of $147,749,452 represents an increase of $14,349,272 over the comparable amount available in 1986. This increase will provide $5,899,050 for net mandatory cost increases and built in changes and $8,450,222 for program enhancements.

The requested program enhancements will provide $8,450,222 to expand the Academic ($8,200,222) and International Visitor ($250,000) Programs. The academic enhancements consists of expanded exchanges with the Soviet Union ($900,000); academic scholarships for disadvantaged students from South Africa ($700,000); fellowships for Professionals (lawyers, bankers, journalists, teacher) from "Newly Industrializing Countries" ($1,000,000); expansion of the Teacher Exchange program to East Asia, Latin American and Africa ($500,000); short term academic specialist grants to Americans to consult abroad with foreign counterparts at the request of the U.S. embassies overseas ($140,000); additional grants in the International Educational Development Program to bring foreign educators to the United States to consult on educational issues ($500,000); additional summer institutes for foreign secondary school educators to provide tools in promoting understanding of the U.S.($720,000); expand the university-to-university affiliations program ($800,000); additional graduate study grants for U.S. students ($865,222); and provide U.S. lecturers and conduct conferences and seminars to support the celebration of the Bicentennial of the Constitution ($2,075,000).

A worldwide summary of the program requirements for each geographic area and a summary by country follows:

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

Academic and International Visitor Program Summary

	1985 Actual		1986 Estimate		1987 Estimate		Increase or Decrease (-)	
	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds
1. Academic Exchanges:								
East Asia and Pacific	760	$16,582,968	760	$16,375,694	852	$18,620,971	92	$2,245,277
Africa	558	12,051,139	564	12,925,386	636	15,418,379	72	2,492,993
North Africa, Near East & South Asia	619	11,982,487	619	13,272,168	671	14,815,613	52	1,543,445
American Republics	833	19,000,263	1,229	32,163,288	1,286	34,814,984	57	2,651,696
West Europe	2,634	24,270,842	2,634	25,475,226	2,680	27,088,322	46	1,613,096
Soviet Union and East Europe	341	9,895,907	341	10,215,119	347	11,750,224	6	1,535,105
Total	5,745	93,783,606	6,147	110,426,881	6,472	122,508,493	325	12,081,612
Deduct Foreign Government Contributions	—	-11,288,628	—	-11,288,628	—	-11,288,628	—	—
Total, U.S. Government Funds	—	82,494,978	—	99,138,253	—	111,219,865	—	12,081,612
Deduct Funds on Hand Binat'l Commissions	—	-4,072,906	—	-4,298,489	—	-4,298,489	—	—
Deduct Reimbursements	—	-637,573	—	-862,750	—	-862,750	—	—
Total, Academic Exchanges	5,745	77,784,499	6,147	93,977,014	6,472	106,058,626	325	12,081,612
2. International Visitor Exchanges:								
East Asia and Pacific	471	5,983,162	409	5,933,450	409	6,257,049	—	323,599
Africa	525	7,850,277	766	10,947,116	766	11,523,033	—	575,917
North Africa, Near East & South Asia .	481	6,007,554	475	6,540,553	475	6,893,933	—	353,380
American Republics	543	6,648,656	602	7,342,760	602	7,746,384	—	403,624
West Europe	568	6,745,024	597	7,324,422	597	7,719,347	—	394,925
Soviet Union and East Europe	149	1,623,389	156	2,354,655	166	2,570,870	10	216,215
Total	2,737	34,858,062	3,005	40,442,956	3,015	42,710,616	—	2,267,660
Deduct Reimbursements..................	—	-753,625	—	-1,019,790	—	-1,019,790	—	—
Total, Internat'l. Visitor Exchanges	2,737	34,104,437	3,005	39,423,166	3,015	41,690,826	10	2,267,660
Total, Direct funds, Academic and International Visitor Exchanges	8,482	111,888,936	9,152	133,400,180	9,487	147,749,452	335	14,349,272

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

EAST ASIA AND PACIFIC

Summary of Requirements	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Total Program	$22,566,130	$22,309,144	$24,878,020	$2,568,876
Deduct all other funds	-3,416,067	-3,156,428	-3,156,295	133
Direct Obligations	19,150,063	19,152,716	21,721,725	2,569,009

I. SUMMARY

The Agency conducts programs in 17 countries and territories in the East Asia and Pacific area. A listing of the first seven countries in alphabetical order (Australia, Burma, People's Republic of China, Fiji, Hong Kong, Indonesia and Japan) suggests the breadth of difference among the cultures, economies and political systems of the area. Because of those differences, the Agency employs a wide range of exchange programs and operating methods in the area.

II. 1985 AND 1986 PROGRAMS

In seven of the East Asia/Pacific countries and territories, academic programs are planned and administered by Binational Commissions. Five of those governments contribute to the funding of the academic exchange program; Malaysia and Thailand make significant indirect contributions. Effort is being devoted to establishing and sustaining long-term affiliations between American and East Asian institutions of higher education, and to providing more opportunities for Americans to study and conduct research in South East Asia.

Under the International Visitor Program, grants are awarded in a variety of professional fields, including politics, law and justice, labor, economics, the environment, public affairs, the media, the arts and humanities. The IV program with the People's Republic of China has grown with great rapidity since its start in late 1979. From a handful of grantees financed by funds taken from other East Asian allocations, the PRC program has become the largest in the world. In 1985, 120 IV's visited the U.S. and our posts in the PRC have nominated a larger number in 1986.

Under the Science and Technology Agreement signed with the People's Republic of China in October 1978, a U.S.-China student/scholar exchange program was begun in 1979. The new Educational Exchanges Agreement, signed in July 1985, provides a broad framework under which both government-to-government and private educational exchanges are conducted. There has been an increasingly receptive attitude on the part of the PRC Government toward educational exchange, and we look forward to further expansion of exchange activities.

III. 1987 PLANS

We anticipate continued strong interest among the nations of East Asia and the Pacific in American society, culture, educational opportunities, and in the English language. Although expansion of the program into new areas will be extremely limited, the Agency does expect to maintain the recent expansion of its program with Burma. Also, the Islamic studies program begun with Indonesia in cooperation with private U.S. foundations and the Indonesian government could possibly expand further with cost-sharing support. This is an important new initiative to which the post and the Bureau will give high priority.

Working through the full range of exchange programs — researchers, lecturers, students, and visitors — the Agency will continue its efforts to provide a mechanism through which influential Asians and Americans will have the opportunity to benefit from each others' expertise.

The increase of $2,569,009 is requested to provide $1,649,271 to enhance programs in 1987 and $919,738 for mandatory cost increases.

EAST ASIA AND PACIFIC

International Visitors

	1985 Actual		1986 Estimate		1987 Estimate		Increase or Decrease (-)	
	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds
Australia	27	$ 207,574	29	$ 242,932	29	$ 255,418	—	$ 12,486
Burma	5	41,227	10	84,506	10	88,810	—	4,304
China, People's Republic of	120	747,131	79	659,247	79	693,246	—	33,999
Fiji	17	112,985	14	107,417	14	113,443	—	6,026
Hong Kong	6	38,538	7	63,460	7	66,473	—	3,013
Indonesia	44	364,289	37	315,972	37	331,897	—	15,925
Japan	81	517,124	64	521,760	64	549,307	—	27,547
Korea	21	172,127	25	196,315	25	207,075	—	10,760
Malaysia	17	135,637	16	137,787	16	144,674	—	6,887
New Zealand	33	249,206	23	189,690	23	199,590	—	9,900
Pacific Islands	0	0	8	64,357	8	67,800	—	3,443
Papua New Guinea	9	81,374	12	103,916	12	109,081	—	5,165
Philippines	32	229,096	35	282,148	35	297,213	—	15,065
Singapore	14	112,358	17	141,863	17	149,180	—	7,317
Thailand	37	262,046	25	201,660	25	212,420	—	10,760
Trust Territories	8	64,477	8	64,056	8	67,499	—	3,443
Other Program Expenses:								
Contract agency costs	—	1,276,169	—	1,050,694	—	1,093,927	—	43,233
Escort Interpreter Costs	—	1,340,853	—	1,448,276	—	1,519,875	—	71,599
Other Expenses	—	30,951	—	57,394	—	90,121	—	32,727
Total, Other Prog. Expenses	—	2,647,973	—	2,556,364	—	2,703,923	—	147,559
Total Exchanges	471	5,983,162	409	5,933,450	409	6,257,049	—	323,599
Deduct Reimbursements-Dollars	—	-136,406	—	-163,187	—	-163,054	—	133
Net Appropriation	471	5,846,756	409	5,770,263	409	6,093,995	—	323,732

EAST ASIA AND PACIFIC

Academic Exchanges

	1985 Actual				1986 Estimate				1987 Estimate				Increase or Decrease (-)	
	No. of Grants				No. of Grants				No. of Grants					
	For.	U.S.	Total	Funds	For.	U.S.	Total	Funds	For.	U.S.	Total	Funds	No. of Grants	Funds
Australia	35	24	59	$1,297,627	35	24	59	$ 930,467	35	24	59	$ 961,959	—	$ 31,492
Brunei	1	—	1	20,491	1	—	1	20,743	1	—	1	21,277	—	534
Burma	20	—	20	313,177	20	—	20	318,215	20	—	20	328,890	—	10,675
China, People's Republic of.	22	26	48	1,418,710	22	26	48	1,430,800	62	26	88	1,641,420	40	210,620
Fiji	1	1	2	38,254	1	1	2	38,758	1	1	2	39,826	—	1,068
Hong Kong	—	5	5	109,457	—	5	5	110,716	—	5	5	113,385	—	2,669
Indonesia	57	15	72	1,163,807	57	15	72	1,181,942	57	15	72	1,220,371	—	38,429
Japan	93	53	146	3,005,664	93	53	146	2,917,222	93	53	146	2,995,147	—	77,925
Korea	74	14	88	1,187,840	74	14	88	1,258,774	74	14	88	1,305,744	—	46,970
Malaysia	11	13	24	870,056	11	13	24	954,681	11	13	24	967,491	—	12,810
New Zealand	28	21	49	483,194	28	21	49	540,381	28	21	49	566,535	—	26,154
Papua New Guinea	5	3	8	145,305	5	3	8	147,321	5	3	8	151,591	—	4,270
Philippines	37	9	46	781,188	37	9	46	811,978	37	9	46	836,531	—	24,553
Singapore	5	6	11	222,036	5	6	11	224,807	5	6	11	230,678	—	5,871
Thailand	36	19	55	881,131	36	19	55	908,816	36	19	55	938,172	—	29,356
Regional	27	99	126	825,059	27	99	126	856,793	52	126	178	1,908,305	52	1,051,512
Cooperation w/Private Inst.	—	—	—	1,016,367	—	—	—	960,192	—	—	—	1,000,521	—	40,329
Other Program Expenses:														
Contract Agency Costs	—	—	—	2,407,371	—	—	—	1,942,670	—	—	—	2,024,263	—	81,593
University-to-University	—	—	—	200,307	—	—	—	329,608	—	—	—	543,451	—	213,843
Teacher Exchange	—	—	—	—	—	—	—	—	—	—	—	250,000	—	250,000
Other Academic Expenses	—	—	—	195,927	—	—	—	490,810	—	—	—	575,414	—	84,604
Total, Other Program Exp	—	—	—	2,803,605	—	—	—	2,763,088	—	—	—	3,393,128	—	630,040
Total	452	308	760	16,582,968	452	308	760	16,375,694	517	335	852	18,620,971	92	2,245,277
Deduct Foreign Government Contributions	—	—	—	-2,223,998	—	—	—	-2,223,998	—	—	—	-2,223,998	—	—
Total, U.S. Government Funds	—	—	—	14,358,970	—	—	—	14,151,696	—	—	—	16,396,973	—	2,245,277
Deduct Funds on Hand, Binational Commissions	—	—	—	-865,061	—	—	—	-563,046	—	—	—	-563,046	—	—
Deduct Reimbursements	—	—	—	-190,602	—	—	—	-206,197	—	—	—	-206,197	—	—
NET APPROPRIATION	452	308	760	13,303,307	452	308	760	13,382,453	517	335	852	15,627,730	92	2,245,277

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

AFRICA

Summary of Requirements	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Total Program	$19,901,416	$23,872,502	$26,941,412	$3,068,910
Deduct all other funds	-261,881	-364,326	-364,142	184
Direct Obligations	19,639,535	23,508,176	26,577,270	3,069,094

I. SUMMARY

The Agency has exchange programs with 41 Sub-Saharan African countries including the Indian Ocean countries of Madagascar, Mauritius and the Seychelles, plus a special program for African journalists based in Paris and London. On the continent, programs have been concentrated in countries whose strategic location, size and/or influence make them important to U.S. foreign policy objectives in the area. These include Somalia (on the horn of Africa), Kenya and Tanzania (on the east coast), Zaire, Zimbabwe and South Africa (in Southern Africa), and Nigeria, Liberia, and Senegal (in West Africa).

II. 1985 AND 1986 PROGRAMS

Academic exchange programs of professors, research scholars and graduate students have the primary goal of increasing mutual understanding between the U.S. and African countries. In addition, they have the main long-term objective of assisting in the development of African educational institutions, both by providing advanced study in the U.S. to African teaching faculty and research scholars and by the work of American professors at African universities. It is expected that as African universities become strengthened they will be able to host sucessfully an increased number of American grantees, thereby improving the balance between American and African grants.

In 1986, there will be three broad, new initiatives: First, we will seek to strengthen American studies in Africa by providing U.S. lecturers in its various component fields and by providing more opportunities for African graduate students and scholars to take coursework and do research in the U.S.; second, because of the importance of South Africa, the ongoing student program with that country will be expanded, and new academic exchange programs will be developed; third, we will provide several enhancements to the two most important regional programs (U.S. lecturers and African students), including larger book allowances and more language training. Two special efforts will also take much attention: various activities in celebration of the 40th anniversary of the Fulbright Program, and the first-ever conference on the Program to be held in Africa.

III. 1987 PLANS

In 1987, we will give priority to coordinating the various academic exchange programs in order to enhance their impact. Special attention will be given to supporting affiliations between American and African universities and to tailoring programs more precisely to the interests of the American academic community and to the opportunities and limitations found in each African country. Grant benefits must be made more attractive for Americans in order to ensure an adequate supply of applicants who are well qualified both professionally and personally to work in Africa.

The expansion of programs with South Africa will continue, and a renewed effort will be made to design programs for American scholars to work in that country especially in educational reform, curriculum development and educational administration as South African universities admit more non-white students.

The increase of $3,069,094 will provide program enhancements of $2,164,271 for the 1987 program and mandatory cost increases of $904,823.

AFRICA

International Visitors

	1985 Actual		1986 Estimate		1987 Estimate		Increase or Decrease (-)	
	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds
Benin	6	$ 48,461	9	$ 67,525	9	$ 71,223	—	$ 3,698
Botswana	7	56,772	15	102,567	15	108,730	—	6,163
Burkina Faso	3	20,667	9	67,524	9	71,222	—	3,698
Burundi	8	61,046	11	91,755	11	96,275	—	4,520
Cameroon	12	81,098	11	84,192	11	88,712	—	4,520
Cape Verde	1	7,272	5	34,190	5	36,244	—	2,054
Central African Republic	5	36,038	7	50,857	7	53,733	—	2,876
Chad	5	36,100	6	42,523	6	44,988	—	2,465
Congo (Brazzaville)	7	55,112	11	84,192	11	88,712	—	4,520
Djibouti	4	32,994	5	34,190	5	36,244	—	2,054
Equatorial Guinea	4	30,508	5	34,190	5	36,244	—	2,054
Ethiopia	13	110,922	15	102,569	15	108,732	—	6,163
Gabon	9	57,886	5	34,190	5	36,244	—	2,054
Gambia	7	53,224	6	342,523	6	344,988	—	2,465
Ghana	17	134,907	20	151,716	20	159,933	—	8,217
Guinea	13	105,035	12	92,525	12	97,455	—	4,930
Guinea-Bissau	2	14,596	2	16,667	2	17,489	—	822
Ivory Coast	13	96,946	17	111,757	17	118,742	—	6,985
Kenya	28	200,548	19	143,382	19	151,188	—	7,806
Lesotho	4	55,917	6	42,523	6	44,988	—	2,465
Madagascar	12	85,846	15	110,048	15	116,211	—	6,163
Malawi	12	101,319	11	99,150	11	103,670	—	4,520
Mali	7	50,627	11	84,192	11	88,712	—	4,520
Mauritius	10	103,416	12	92,525	12	97,455	—	4,930
Mozambique	13	90,837	15	110,048	15	116,211	—	6,163
Niger	7	52,654	9	67,524	9	71,222	—	3,698
Nigeria	40	314,040	41	289,329	41	306,174	—	16,845
Rwanda	8	65,398	7	50,857	7	53,733	—	2,876
Sao Tome and Principe	3	26,887	5	34,190	5	36,244	—	2,054
Senegal	23	172,414	26	186,760	26	197,442	—	10,682

	1985 Actual		1986 Estimate		1987 Estimate		Increase or Decrease (-)	
	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds
Seychelles	3	$ 17,275	6	$ 42,523	6	$ 44,988	—	$ 2,465
Sierra Leone	16	128,493	15	105,048	15	111,211	—	6,163
Somalia	11	96,724	15	110,048	15	116,211	—	6,163
South Africa	60	424,951	51	380,145	51	401,099	—	20,954
Swaziland	5	41,264	7	50,857	7	53,733	—	2,876
Tanzania	21	148,468	17	126,715	17	133,700	—	6,985
Togo	6	45,402	9	67,524	9	71,222	—	3,698
Uganda	13	114,360	9	67,524	9	71,222	—	3,698
Zaire	27	214,747	40	295,953	40	312,388	—	16,435
Zambia	21	186,956	27	202,573	27	213,666	—	11,093
Zimbabwe	21	134,378	26	194,239	26	204,921	—	10,682
Regional	—	—	178	2,368,000	178	2,489,409	—	121,409
ARS Paris	18	117,609	18	135,049	18	142,445	—	7,396
Other Program Expenses:								
Contract agency costs	—	1,537,043	—	1,440,293	—	1,499,557	—	59,264
Escort Interpreter Costs	—	2,245,840	—	2,425,769	—	2,545,686	—	119,917
Other Expenses	—	37,280	—	78,676	—	112,415	—	33,739
Total, Other Prog. Expenses	—	3,820,163	—	3,944,738	—	4,157,658	—	212,920
Total Exchanges	525	7,850,277	766	10,947,116	766	11,523,033	—	575,917
Deduct Reimbursements-Dollars .	—	-164,290	—	-223,698	—	-223,514	—	184
Net Appropriation	525	7,685,987	766	10,723,418	766	11,299,519	—	576,101

AFRICA

Academic Exchanges

	1985 Actual				1986 Estimate				1987 Estimate				Increase or Decrease (-)	
	No. of Grants				No. of Grants				No. of Grants					
	For.	U.S.	Total	Funds	For.	U.S.	Total	Funds	For.	U.S.	Total	Funds	No. of Grants	Funds
Benin	1	2	3	$ 68,455	3	1	4	$ 69,412	3	1	4	$ 72,136	—	$ 2,724
Botswana	3	6	9	183,606	4	5	9	180,277	4	5	9	186,410	—	6,133
Burkina Faso	4	2	6	124,000	5	2	7	123,471	5	2	7	128,239	—	4,768
Burundi	9	4	13	214,567	8	4	12	209,636	8	4	12	217,812	—	8,176
Cameroon	12	3	15	223,872	12	4	16	269,948	12	4	16	280,850	—	10,902
Cape Verde Islands	2	—	2	18,120	2	—	2	18,206	2	—	2	19,569	—	1,363
Central African Republic	—	—	—	—	2	—	2	23,206	2	—	2	24,568	—	1,362
Chad	2	—	2	16,720	2	—	2	16,206	2	—	2	17,569	—	1,363
Congo (Brazzaville)	7	1	8	106,189	8	1	9	119,927	8	1	9	126,059	—	6,132
Ethiopia	12	2	14	215,908	12	2	14	243,142	12	2	14	252,681	—	9,539
Gabon	1	1	2	57,530	1	1	2	71,106	1	1	2	72,468	—	1,362
Ghana	11	1	12	172,738	12	1	13	187,939	12	1	13	196,797	—	8,858
Guinea	4	1	5	77,449	6	—	6	66,518	6	—	6	70,606	—	4,088
Ivory Coast	13	3	16	262,041	14	2	16	247,948	14	2	16	258,851	—	10,903
Kenya	25	9	34	551,075	24	9	33	552,399	24	9	33	574,887	—	22,488
Lesotho	3	5	8	161,659	3	5	8	154,124	3	5	8	159,573	—	5,449
Liberia	26	6	32	675,000	27	5	32	675,000	27	5	32	675,000	—	—
Madagascar	6	1	7	96,980	6	1	7	97,721	6	1	7	102,490	—	4,769
Malawi	5	6	11	245,569	5	5	10	303,030	5	5	10	309,844	—	6,814
Mali	1	—	1	8,250	2	—	2	21,706	2	—	2	23,068	—	1,362
Mauritius	2	1	3	64,730	3	1	4	77,412	3	1	4	80,136	—	2,724
Mozambique	1	1	2	36,260	3	—	3	32,109	3	—	3	34,153	—	2,044
Niger	9	3	12	179,328	10	3	13	205,139	10	3	13	213,996	—	8,857
Nigeria	26	17	43	714,975	26	15	41	759,723	26	15	41	787,662	—	27,939
Rwanda	6	2	8	125,079	7	2	9	138,927	7	2	9	145,059	—	6,132
Sao Tome & Principe	2	—	2	19,390	2	—	2	18,606	2	—	2	19,969	—	1,363
Senegal	13	4	17	226,526	16	4	20	291,060	16	4	20	304,689	—	13,629
Sierra Leone	4	3	7	116,240	6	3	9	166,927	6	3	9	173,060	—	6,133
Somalia	9	2	11	195,768	11	1	12	179,236	11	1	12	187,413	—	8,177

	1985 Actual				1986 Estimate				1987 Estimate				Increase or Decrease (-)	
	No. of Grants				No. of Grants				No. of Grants					
	For.	U.S.	Total	Funds	For.	U.S.	Total	Funds	For.	U.S.	Total	Funds	No. of Grants	Funds
South Africa	60	—	60	$657,489	76	—	76	$791,136	96	—	96	$1,542,928	20	$751,792
Swaziland	1	2	3	36,620	1	1	2	30,206	1	1	2	31,568	—	1,362
Tanzania	25	7	32	437,955	24	7	31	497,193	24	7	31	518,317	—	21,124
Togo	18	4	22	322,596	18	3	21	306,163	18	3	21	320,473	—	14,310
Uganda	11	2	13	206,947	11	—	11	143,133	11	—	11	150,628	—	7,495
Zaire	25	2	27	408,485	24	3	27	396,971	24	3	27	415,370	—	18,399
Zambia	11	7	18	343,717	12	6	18	326,854	12	6	18	339,118	—	12,264
Zimbabwe	17	10	27	507,496	17	9	26	506,678	17	9	26	524,395	—	17,717
Regional	14	37	51	445,970	—	33	33	243,388	25	60	85	1,250,186	52	1,006,798
Cooperation w/Private Institutions	—	—	—	519,015	—	—	—	454,464	—	—	—	473,549	—	19,085
Other Program Expenses:														
Contract Agency Costs	—	—	—	1,573,051	—	—	—	1,641,083	—	—	—	1,710,010	—	68,927
University-to-University	—	—	—	304,182	—	—	—	278,437	—	—	—	490,134	—	211,697
Teacher Exchange	—	—	—	—	—	—	—	—	—	—	—	250,000	—	250,000
Other Academic Expenses	—	—	—	1,129,592	—	—	—	1,789,619	—	—	—	1,686,089	—	-103,530
Total, Other Program Expenses	—	—	—	3,006,825	—	—	—	3,709,139	—	—	—	4,136,233	—	427,094
Total, U.S. Government Funds	401	157	558	12,051,139	425	139	564	12,925,386	470	166	636	15,418,379	72	2,492,993
Deduct Reimbursements	—	—	—	-97,591	—	—	—	-140,628	—	—	—	-140,628	—	—
NET APPROPRIATION	401	157	558	11,953,548	425	139	564	12,784,758	470	166	636	15,277,751	72	2,492,993

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

NORTH AFRICA, NEAR EAST AND SOUTH ASIA

Summary of Requirements	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Total Program	$17,990,041	$19,812,721	$21,709,546	$1,896,825
Deduct all other funds	-1,377,127	-1,859,117	-1,858,968	149
Direct Obligations	16,612,914	17,953,604	19,850,578	1,896,974

I. SUMMARY

The Near East/South Asia area is a volatile region marked by alternating periods of armed confrontations, uneasy truces and domestic upheavals. While successive American administrations have sought to resolve the underlying causes of these conflicts, many participants and observers tend to hold the United States partly responsible for these unsettled times. Paradoxically, this has not appreciably affected Agency exchange programs; indeed, they remain strong and expanding. This can be attributed to the desire of many governments in the region to separate political differences from mutual cultural and educational interests. The Agency conducts exchange programs with 24 countries in the area, and also has important exchanges with the West Bank and Gaza.

II. 1985 AND 1986 PROGRAMS

Demand for Fulbright American scholars in the region remains constant and, in some cases, expanding with some countries requesting additional lecturers, researchers and students. Syria, for example, placed an American lecturer at a regional university for the first time in several years. It is expected that a Fulbright presence in Iraq will be established in the foreseeable future as a result of the resumption of diplomatic relations in mid-1985. The number of foreign scholars and students coming to the United States under the Fulbright Program continues to be substantial, reflecting the high regard which foreigners hold for American higher education. The United States - Israel Educational Foundation (USIEF) has expanded its budget by almost 100% through an endowment authorized by Congress. It is using these funds to expand the study of the United States at Israeli universities in addition to other programs. The impetus for this increased support comes from the Israelis who feel that the American national experience may have similarities for Israel's national development. Fulbright commissions in Morocco, Egypt, India, Pakistan, Sri Lanka and Nepal continue to remain strong and are facilitating valuable contributions in various fields of scholarship which aid mutual understanding. The short-term American lecturer program is used most effectively in smaller countries which are not able to support a Fulbright program. Greater awareness of American institutions has increased demand for grants under the foreign lectuer program which brings foreign scholars to American campuses for short or long term teaching assignments. Foreign professors have lectured in the United States in such fields as Middle East studies, political science and literature. The Agency is further demonstrating its support for foreign scholarship through its American Research Fellowship program which provides short term funding for foreign researchers in the field of American studies. Scholars from both the Middle East and South Asia have participated in this program. American concerns regarding Islam continue to be addressed by the awarding of grants to American research scholars in the field of Islamic civilization under a special Fulbright program competition. Agency-funded overseas research centers in such locations as Yemen, Tunisia, and Egypt plus the American Studies Research Center in India promote high standards of research and an atmosphere of unfettered intellectual discourse. A group of four scholars engaged in American Studies in Pakistan came as International Visitors to establish contacts with their colleagues in the United States in 1985. There will be a second regional International Visitor group project in 1986.

The Agency continues to bring to this country distinguished visitors from North Africa, the Near East and South Asia under the International Visitor Program for a substantive look at American intellectual, cultural, and political life. University administration, American studies, American architecture history, preservation, and English teaching have all been of great interest to foreign visitors from the area. Among the significant program activities in 1985, the resumption of diplomatic relations with Irag resulted in five Iraqi international visitors coming to the United States. A group of Sri Lankan officials were given the opportunity to see how citizen groups in this country protect their civil rights, with a view to adapting such processes to Sri Lanka where civil strife between Tamils and Sisighalesa is a difficult problem. In 1985 a very successful group project for student leaders from Arab countries was conducted. Also, for the first time in 1985, the Center for Foreign Journalists conducted a highly successful three week workshop for journalists from ten Arab countries.

III. 1987 PLANS

The Near East/South Asia region, an arc stretching from Morocco to Bangladesh, will remain an area of great importance to the United States. U.S. interests in the region will continue to be challenged by the Soviet Union which is attempting to expand its influence there, most particularly in the field of higher education. Many leaders and educators, prefer however, to send their students to the U.S. because of the perceived quality of American higher education, particularly graduate education. Economic factors and the increasing need for university-trained administrators and professionals to remain at their institutions may make a U.S. or western education a less viable option in the future. In the face of such challenges, the U.S. needs to develop programs more responsive to such situations.

The increase of $1,896,974 will provide program enhancements of $1,214,271 or the 1987 program and mandatory cost increases of $682,703.

NORTH AFRICA, NEAR EAST & SOUTH ASIA

International Visitors

	1985 Actual		1986 Estimate		1987 Estimate		Increase or Decrease (-)	
	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds
Algeria	11	$ 76,872	17	$ 124,182	17	$ 131,129	—	$ 6,947
Bahrain	10	73,806	9	74,471	9	78,151	—	3,680
Bangladesh	18	141,795	20	167,113	20	175,290	—	8,177
Bhutan	0	0	2	17,571	2	18,389	—	818
Egypt	50	276,185	34	272,813	34	286,716	—	13,903
Gaza	3	16,165	5	32,128	5	34,172	—	2,044
India	59	403,579	58	468,253	58	491,966	—	23,713
Iraq	5	39,118	17	142,106	17	149,056	—	6,950
Israel	36	262,894	29	219,484	29	231,340	—	11,856
Jerusalem	13	99,627	17	137,306	17	144,256	—	6,950
Jordan	35	238,011	26	183,967	26	194,597	—	10,630
Kuwait	6	45,132	10	81,577	10	85,665	—	4,088
Lebanon	11	79,658	14	105,039	14	110,763	—	5,724
Maldives	5	43,950	6	52,064	6	54,517	—	2,453
Mauritania	7	51,377	6	45,214	6	47,667	—	2,453
Morocco	38	207,425	29	189,584	29	201,440	—	11,856
Nepal	20	154,994	16	137,491	16	144,032	—	6,541
Oman	4	27,138	10	87,427	10	91,515	—	4,088
Pakistan	32	220,679	30	247,970	30	260,235	—	12,265
Qatar	5	31,567	7	49,580	7	52,442	—	2,862
Sri Lanka	22	151,853	15	115,060	15	121,193	—	6,133
Sudan	20	160,763	20	166,573	20	174,750	—	8,177
Syria	24	181,056	32	249,501	32	262,584	—	13,083
Tunisia	27	177,118	25	186,982	25	197,203	—	10,221
United Arab Emirates	10	54,906	9	75,831	9	79,511	—	3,680
Yemen	10	69,087	12	99,198	12	104,104		4,906

	1985 Actual		1986 Estimate		1987 Estimate		Increase or Decrease (-)	
	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds
Other Program Expenses:								
Contract Agency Costs	—	$1,233,865	—	$1,172,142	—	$1,220,373	—	$48,231
Escort Interpreter Costs	—	1,459,009	—	1,575,898	—	1,653,807	—	77,909
Other Expenses	—	29,925	—	64,028	—	97,070	—	33,042
Total, Other Prog. Expenses	—	2,722,799	—	2,812,068	—	2,971,250	—	159,182
Total Exchanges	481	6,007,554	475	6,540,553	475	6,893,933	—	353,380
Deduct Reimbursements-Dollars .	—	-131,884	—	-182,050	—	-181,901	—	149
Net Appropriation	481	5,875,670	475	6,358,503	475	6,712,032	—	353,529

NORTH AFRICA, NEAR EAST AND SOUTH ASIA

Academic Exchanges

	1985 Actual				1986 Estimate				1987 Estimate				Increase or Decrease (-)	
	No. of Grants				No. of Grants				No. of Grants					
	For.	U.S.	Total	Funds	For.	U.S.	Total	Funds	For.	U.S.	Total	Funds	No. of Grants	Funds
Algeria	3	2	5	$ 116,950	3	2	5	$ 120,039	3	2	5	$ 122,858	—	$ 2,819
Bahrain	—	2	2	65,738	—	2	2	66,974	—	2	2	68,102	—	1,128
Bangladesh	9	3	12	187,517	9	3	12	194,929	9	3	12	201,692	—	6,763
Bhutan	4	—	4	67,218	4	—	4	69,688	4	—	4	71,942	—	2,254
Egypt	42	12	54	918,177	42	12	54	1,035,455	42	12	54	1,065,883	—	30,428
India	98	54	152	2,198,354	98	54	152	2,365,002	98	54	152	2,450,648	—	85,646
Israel	55	25	80	1,044,997	55	25	80	1,076,221	55	25	80	1,121,296	—	45,075
Jordan	11	8	19	388,354	11	8	19	400,092	11	8	19	410,798	—	10,706
Lebanon	18	—	18	138,992	18	—	18	150,112	18	—	18	160,254	—	10,142
Mauritania	2	1	3	63,841	2	1	3	65,695	2	1	3	67,387	—	1,692
Morocco	35	8	43	551,142	35	8	43	554,848	35	8	43	579,079	—	24,231
Nepal	18	4	22	437,381	18	4	22	434,656	18	4	22	447,052	—	12,396
Pakistan	11	8	19	722,087	11	8	19	756,740	11	8	19	767,446	—	10,706
Sri Lanka	12	8	20	369,991	12	8	20	514,597	12	8	20	525,869	—	11,272
Sudan	5	4	9	228,048	5	4	9	233,607	5	4	9	238,680	—	5,073
Syria	12	10	22	331,444	12	10	22	345,034	12	10	22	357,433	—	12,399
Tunisia	20	5	25	371,621	20	5	25	387,065	20	5	25	401,153	—	14,088
West Bank	28	3	31	394,881	28	3	31	414,031	28	3	31	431,498	—	17,467
Yemen	10	1	11	155,032	10	1	11	161,828	10	1	11	168,026	—	6,198
Regional	1	67	68	584,993	1	67	68	627,004	26	94	120	1,649,574	52	1,022,570
Cooperation w/Private Institutions	—	—	—	836,129	—	—	—	783,073	—	—	—	815,962	—	32,889
Other Program Expenses:														
Contract Agency Costs	—	—	—	1,411,134	—	—	—	1,645,543	—	—	—	1,714,656	—	69,113
University-to-University	—	—	—	251,262	—	—	—	279,194	—	—	—	490,920	—	211,726
Other Academic Expenses	—	—	—	147,204	—	—	—	590,741	—	—	—	487,405	—	-103,336
Total, Other Program Expenses	—	—	—	1,809,600	—	—	—	2,515,478	—	—	—	2,692,981	—	177,503
Total	394	225	619	11,982,487	394	225	619	13,272,168	419	252	671	14,815,613	52	1,543,445

	1985 Actual				1986 Estimate				1987 Estimate				Increase or Decrease (-)	
	No. of Grants				No. of Grants				No. of Grants					
	For.	U.S.	Total	Funds	For.	U.S.	Total	Funds	For.	U.S.	Total	Funds	No. of Grants	Funds
Deduct Foreign Government Contributions	—	—	—	$-155,000	—	—	—	$-155,000	—	—	—	$-155,000	—	—
Total, U.S. Government Funds	394	225	619	11,827,487	394	225	619	13,117,168	419	252	671	14,660,613	52	1,543,445
Deduct Funds on Hand, Binational Commissions	—	—	—	-821,437	—	—	—	-1,111,398	—	—	—	-1,111,398	—	—
Deduct Reimbursements	—	—	—	-268,806	—	—	—	-410,669	—	—	—	-410,669	—	—
NET APPROPRIATION	394	225	619	10,737,244	394	225	619	11,595,101	419	252	671	13,138,546	52	1,543,445

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

AMERICAN REPUBLICS

Summary of Requirements	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Total Program	$25,648,919	$39,506,048	$42,561,368	$3,055,320
Deduct all other funds	-1,210,044	-1,165,606	-1,166,289	- 683
Direct Obligations	24,438,875	38,340,442	41,395,079	3,054,637

I. SUMMARY

Because of the geographical proximity of the countries of Latin America and the Caribbean to the United States, they have an important political and economic relationship to this country. The political instability and economic difficulties which often adversely affect these countries are an important influence on our foreign policy. Significant groups in these countries look to the United States for leadership in the fields of public administration, education, technology, economics and commerce, as well as the arts. USIA conducts educational and cultural exchange programs in 28 countries in the area with the assistance of seven Binational Commissions. The Agency is actively encouraging exchange programs sponsored by the private sector, because these programs are an important complement to Agency activities.

II. 1985 AND 1986 PROGRAMS

Educational and cultural exchange programs operate in an environment of rapidly changing political situations in several countries in Latin America and the Caribbean. Continued turmoil and violence in Central America make exchange activities challenging, but also provide excellent new opportunities. The Agency has been sensitive and responsive to shifting psychological and political trends.

The pilot undergraduate scholarship program for students of limited economic resources had a remarkable initial impact in Central America. The ratio of applicants for the 154 grants was 20 to 1 in the region as a whole. The participating universities report that the screening mechanism met the challenge of selective students who are not only financially disadvantaged but also very talented. With the support of the U.S. academic community, the governments abroad and the U.S. embassies in the region, the Agency is planning to maintain the momentum of the program by awarding scholarships to a second group in 1987.

In the remaining countries of the region, the climate for increased academic exchanges with the United States is at perhaps the highest level in years. The U.S. educational system is seen as a dynamic force in this country's economic and political strength and stability.

In 1986, 159 students and 50 scholars from Central America will receive grants to pursue graduate study and scholarly research in the United States. In addition, 66 faculty members from Central American universities will be enrolled at U.S. universities for masters' degree programs. Their home universities are committed to holding their teaching positions for their return. Approximately 45 American scholars will go to Central America to teach at the university level and conduct research. In the remaining 21 countries of Latin America and the Caribbean 218 students will receive grants for graduate study and scholarly research in the U.S. while 262 American scholars and students will go abroad to study, teach in universities and conduct academic research.

Under the International Visitors Program, leaders and potential leaders from a variety of professions in the seven Central American countries are brought to the United States for consultation with their professional colleagues. We propose to enhance this exchange by bringing an additional 25 visitors from the region either as individuals or in small thematic groups, building on the ground work established in 1985.

III. 1987 PLANS

Exchange programs will continue to play an increasingly important role in U.S. relations with its Latin American neighbors. As political and economic relations in the region undergo change, it is increasingly important that the U.S. establish contact with emerging leadership and opinion shapers in all sectors of Latin American society. Special efforts are continuing for the seven nations in Central America which were the subject of the Report of the National Bipartisan Commission on Central America. The considerable increase in academic exchanges for Central America at the graduate and post graduate level during 1985 and 1986 combined with an accelerated trend toward democratization in the region have heightened interest in the U.S. as a source of education. Also, the expansion of the program has led to the development of an administrative mechanism which can effectively screen and select greater numbers of Central Americans for academic exchange awards.

The increase of $3,054,637 will provide program enhancements of $1,310,409 for the 1987 program and mandatory cost increases of $1,744,228.

AMERICAN REPUBLICS

International Visitors

	1985 Actual		1986 Estimate		1987 Estimate		Increase or Decrease (-)	
	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds
CENTRAL AMERICA								
Belize	7	$ 37,373	8	$ 67,082	8	$ 70,985	—	$ 3,903
Costa Rica	23	152,432	24	178,081	24	187,476	—	9,395
El Salvador	12	85,476	28	204,080	28	214,942	—	10,862
Guatemala	23	137,251	28	191,475	28	201,815	—	10,340
Honduras	29	166,460	27	191,475	27	201,815	—	10,340
Nicaragua	13	81,302	18	128,561	18	135,501	—	6,940
Panama	26	140,665	25	182,692	25	192,308	—	9,616
Total Central America	133	800,959	158	1,143,446	158	1,204,842		61,396
Other American Republics								
Argentina	30	219,054	31	210,018	31	221,241	—	11,223
Bahamas	2	21,460	8	52,841	8	55,738	—	2,897
Barbados	23	144,874	25	165,917	25	174,969	—	9,052
Bolivia	20	140,470	19	121,808	19	128,688	—	6,880
Brazil	86	576,039	78	530,038	78	556,281	—	26,243
Chile	24	170,234	28	187,894	28	198,032	—	10,138
Colombia	31	189,508	33	222,084	33	232,210	—	10,126
Dominican Republic	19	109,860	20	135,054	20	142,296	—	7,242
Ecuador	13	86,366	16	105,682	16	111,475	—	5,793
French West Indies	2	12,023	2	14,686	2	15,410	—	724
Guyana	5	31,770	5	30,812	5	32,622	—	1,810
Haiti	8	43,475	11	77,676	11	81,659	—	3,983
Jamaica	17	107,876	23	151,179	23	159,507	—	8,328
Mexico	38	227,413	45	299,479	45	315,411	—	15,932
Netherland Antilles	—	—	3	22,029	3	23,115	—	1,086
Paraguay	14	97,619	14	90,996	14	96,065	—	5,069
Peru	19	116,916	21	142,396	21	150,000	—	7,604
Suriname	6	43,180	6	38,155	6	40,328	—	2,173
Trinidad	10	63,704	10	55,721	10	59,342	—	3,621
Uruguay	13	89,300	18	120,368	18	126,886	—	6,518
Venezuela	30	175,124	28	193,797	28	203,935	—	10,138

	1985 Actual		1986 Estimate		1987 Estimate		Increase or Decrease (-)	
	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds
Other Program Expenses:								
Contract agency costs	—	$1,318,473	—	$1,188,112	—	$1,242,597	—	$54,485
Escort Interpreter Costs	—	1,830,982	—	1,977,672	—	2,075,443	—	97,771
Other Expenses	—	31,977	—	64,900	—	98,292	—	33,392
Total, Other Prog. Expenses	—	3,181,432	—	3,230,684	—	3,416,332	—	185,648
Total Exchanges	543	6,648,656	602	7,342,760	602	7,746,384	—	403,624
Deduct Reimbursements-Dollars .	—	-140,928	—	-184,530	—	-185,213	—	-683
Net Appropriation	543	6,507,728	602	7,158,230	602	7,561,171	—	402,941

AMERICAN REPUBLICS

Academic Exchanges

	1985 Actual				1986 Estimate				1987 Estimate				Increase or Decrease (-)	
	No. of Grants				No. of Grants				No. of Grants					
	For.	U.S.	Total	Funds	For.	U.S.	Total	Funds	For.	U.S.	Total	Funds	No. of Grants	Funds
CENTRAL AMERICA														
Belize	1	1	2	$ 46,210	1	5	6	$ 86,080	1	5	6	$ 89,402		$ 3,322
Costa Rica	53	5	58	1,031,933	115	14	129	3,231,028	115	14	129	3,355,195	—	124,167
El Salvador	10	1	11	201,093	47	6	53	1,535,850	47	6	53	1,595,118	—	59,268
Guatemala	12	2	14	265,511	33	12	45	914,406	33	12	45	949,693	—	35,287
Honduras	15	3	18	383,879	41	12	53	1,581,190	41	12	53	1,642,208	—	61,018
Nicaragua	1	1	2	41,209	23	6	29	813,410	23	6	29	844,799	—	31,389
Panama	26	3	29	515,441	51	7	58	1,406,050	51	7	58	1,543,398	—	57,348
Regional, University Linkages and Contract Agency Costs	55	11	66	2,984,747	69	—	69	3,960,894	69	—	69	4,104,064	—	143,170
Sub-Total Traditional Programs	—	—	—	5,470,023	380	62	442	13,608,908	380	62	442	14,123,877	—	514,969
Undergraduate Program	—	—	—	53,320	154	—	154	4,546,680	154	—	154	4,793,200	—	246,520
Sub-Total Central America	173	33	206	5,523,343	534	62	596	18,155,588	534	62	596	18,917,077	—	761,489
OTHER AMERICAN REPUBLICS														
Argentina	41	26	67	675,551	41	26	67	683,704	41	26	67	720,287	—	36,583
Bahamas	—	2	2	27,029	—	2	2	27,881	—	2	2	28,973	—	1,092
Barbados	3	2	5	60,469	3	2	5	62,599	3	2	5	65,329	—	2,730
Bolivia	3	2	5	56,924	3	2	5	59,054	3	2	5	61,784	—	2,730
Brazil	84	71	155	2,928,915	84	71	155	2,973,738	84	71	155	3,058,369	—	84,631
Chile	18	8	26	588,439	18	8	26	565,459	18	8	26	579,655	—	14,196
Colombia	63	21	84	1,030,471	63	21	84	1,045,287	63	21	84	1,091,151	—	45,864
Dominican Republic	3	1	4	53,733	3	1	4	55,437	3	1	4	57,621	—	2,184
Ecuador	21	17	38	524,211	21	17	38	606,050	21	17	38	626,798	—	20,748
Grenada	3	1	4	45,359	3	1	4	47,063	3	1	4	49,247	—	2,184
Haiti	—	1	1	13,155	—	1	1	13,581	—	1	1	14,127	—	546
Jamaica	7	7	14	236,797	7	7	14	242,761	7	7	14	250,405	—	7,644
Mexico	41	39	80	1,086,070	41	39	80	1,120,155	41	39	80	1,163,836	—	43,681
Paraguay	—	2	2	30,929	—	2	2	31,781	—	2	2	32,873	—	1,092
Peru	24	31	55	804,776	24	31	55	800,878	24	31	55	830,910	—	30,032
Trinidad	2	5	7	136,288	2	5	7	139,270	2	5	7	143,092	—	3,822
Uruguay	6	17	23	260,598	6	17	23	244,983	6	17	23	257,542	—	12,559
Venezuela	8	3	11	209,311	8	3	11	213,997	8	3	11	220,003	—	6,006
Regional	—	50	50	224,546	—	50	50	245,859	25	82	107	1,353,566	57	1,107,707

	1985 Actual				1986 Estimate				1987 Estimate				Increase or Decrease (-)	
	No. of Grants				No. of Grants				No. of Grants					
	For.	U.S.	Total	Funds	For.	U.S.	Total	Funds	For.	U.S.	Total	Funds	No. of Grants	Funds
Cooperation w/Private Institutions	—	—	—	$ 1,941,853	—	—	—	$ 1,887,276	—	—	—	$ 1,966,542	—	$ 79,266
Other Program Expenses:														
Contract Agency Costs	—	—	—	2,030,648	—	—	—	1,863,785	—	—	—	1,942,064	—	78,279
University-to-University	—	—	—	328,398	—	—	—	316,224	—	—	—	529,505	—	213,281
Teacher Exchange	—	—	—	—	—	—	—	290,000	—	—	—	302,180	—	12,180
Other Academic Expenses	—	—	—	182,450	—	—	—	470,878	—	—	—	552,048	—	81,170
Total, Other Program Expenses	—	—	—	2,541,496	—	—	—	2,940,887	—	—	—	3,325,797	—	384,910
Total	500	333	833	19,000,263	861	368	1,229	32,163,288	886	400	1,286	34,814,984	57	2,651,696
Deduct Foreign Government Contributions	—	—	—	-555,100	—	—	—	-555,100	—	—	—	-555,100	—	—
Total, U.S. Government Funds	500	333	833	18,445,163	861	368	1,229	31,608,188	886	400	1,286	34,259,884	57	2,651,696
Deduct Funds on Hand, Binational Commissions	—	—	—	-509,713	—	—	—	-425,976	—	—	—	-425,976	—	—
Deduct Reimbursements	—	—	—	-4,303	—	—	—	—	—	—	—	—	—	—
NET APPROPRIATION	500	333	833	17,931,147	861	368	1,229	31,182,212	886	400	1,286	33,833,908	57	2,651,696

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

WEST EUROPE

Summary of Requirements	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Total Program	$31,015,866	$32,799,648	$34,807,669	$2,008,021
Deduct all other funds	-10,405,652	-10,716,249	-10,716,090	159
Direct Obligations	20,610,214	22,083,399	24,091,579	2,008,180

I. SUMMARY

The countries of Western Europe continue to be of priority importance to U.S. foreign policy interests, and educational and cultural exchanges remain an effective means of increasing communication and promoting understanding with the peoples of these nations. Through exchange programs we seek to reach a young, post-war generation of potential European leaders and opinion-makers who have not had the same positive experience with Americans as did earlier generations and who are, therefore, less knowledgeable and often more critical of the United States and its policies. We seek at the same time to develop among young Americans a greater understanding and appreciation of European societies as a basis for continuing close cooperation among the Western community of nations.

II. 1985 AND 1986 PROGRAMS

The Agency conducts extensive exchange programs in 22 Western European countries. In 18 of these, the academic programs are administered through well-established Binational Commissions that receive support from both participating countries and the United States. In 1985 we have sought to strengthen these programs by encouraging commissions to reevaluate their programs to ensure that they meet the needs of the 1980's, and by encouraging American board members of these commissions to represent persuasively American interests and concerns in the bilateral relationship. In 1986 we will, in addition, seek ways to increase exchanges and joint ventures between American and European educational institutions and professional organizations. We will also seek ways to maintain the high quality and integrity of these exchanges in the face of the rising costs of conducting them.

The International Visitor Program offers a unique opportunity for future leaders from Western Europe to visit the United States enabling them to learn about this country and to discuss issues of common concern. Journalists, politicians, academicians, trade unionists, and government officials are key participants in the International Visitor Program. Programs for these future leaders of Western Europe focus on themes as varied as arms control, U.S. government, American Studies, foreign policy, the arts, the American educational system, labor, environmental protection, the economy and international trade. Special emphasis is also placed on the development of projects for groups of Western Europeans. These opportunities afford the chance for exchange of views between Europeans and Americans of diverse opinions and backgrounds. Such programs are designed around issues of great concern to the U.S. and its Western European allies: agricultural trade, the environment, foreign policy, arms control, defense commitments and American studies. These 1985 priorities will remain important in 1986.

III. 1987 PLANS

For 1987, our priorities are to improve and expand contacts between American and European educational institutions, enhance the quality of the exchange experience for American and European grantees, to strengthen planning and programming by binational commissions in Europe, and through the International Visitor Program, to assure that the emerging generation of leaders have a direct, personal experience with American society.

The increase of $2,008,180 will provide program enhancements of $948,000 for the 1987 program and mandatory cost increases and other built-in changes totaling $1,060,180.

1715

WEST EUROPE

International Visitors

	1985 Actual		1986 Estimate		1987 Estimate		Increase or Decrease (-)	
	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds
Austria	18	$ 130,865	22	$ 163,261	22	$ 171,758	—	$ 8,497
Belgium	18	127,104	21	154,963	21	163,074	—	8,111
Bermuda	2	11,675	3	24,894	3	26,053	—	1,159
Canada	23	115,698	15	111,606	15	117,399	—	5,793
Cyprus	7	60,550	9	68,250	9	71,726	—	3,476
Denmark	16	110,873	18	136,500	18	143,452	—	6,952
Finland	21	149,920	22	163,260	22	171,757	—	8,497
France	35	217,744	35	258,271	35	271,789	—	13,518
Germany, Federal Republic of	56	393,040	65	475,052	65	500,157	—	25,105
Greece	11	68,985	7	51,654	7	54,358	—	2,704
Iceland	8	55,058	8	56,737	8	59,827	—	3,090
Ireland	12	87,765	13	95,010	13	100,031	—	5,021
Italy	57	381,151	64	428,168	64	452,886	—	24,718
Luxembourg	4	22,570	3	24,894	3	26,053	—	1,159
Malta	8	57,070	8	59,952	8	63,042	—	3,090
Netherlands	30	182,381	25	188,154	25	197,810	—	9,656
Norway	26	193,825	28	206,617	28	217,431	—	10,814
Portugal	10	70,888	17	131,417	17	137,983	—	6,566
Spain	56	383,104	50	369,877	50	389,188	—	19,311
Sweden	14	98,957	17	128,202	17	134,768	—	6,566
Switzerland	6	42,055	7	51,654	7	54,358	—	2,704
Turkey	42	320,293	46	343,117	46	360,883	—	17,766
United Kingdom	57	400,018	62	463,021	62	486,967	—	23,946
USEC Brussels	26	165,614	23	171,558	23	180,441	—	8,883
USIO Geneva	3	20,802	5	35,058	5	36,989	—	1,931
USNATO	1	7,402	2	16,596	2	17,368	—	772
Vatican City	1	6,985	2	16,596	2	17,368	—	772

	1985 Actual		1986 Estimate		1987 Estimate		Increase or Decrease (-)	
	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds
Other Program Expenses:								
Contract agency costs	—	$1,339,625	—	$1,251,774	—	$1,303,282	—	$51,508
Escort Interpreter Costs	—	1,490,517	—	1,609,931	—	1,689,522	—	79,591
Other Expenses	—	32,490	—	68,378	—	101,627	—	33,249
Total, Other Prog. Expenses	—	2,862,632	—	2,930,083	—	3,094,431	—	164,348
Total Exchanges	568	6,745,024	597	7,324,422	597	7,719,347	—	394,925
Deduct Reimbursements-Dollars .	—	-143,189	—	-194,418	—	-194,259	—	159
Net Appropriation	568	6,601,835	597	7,130,004	597	7,525,088	—	395,084

WEST EUROPE

Academic Exchanges

	1985 Actual				1986 Estimate				1987 Estimate				Increase or Decrease (-)	
	No. of Grants				No. of Grants				No. of Grants				No. of Grants	Funds
	For.	U.S.	Total	Funds	For.	U.S.	Total	Funds	For.	U.S.	Total	Funds		
Austria	81	34	115	$625,886	81	34	115	$637,508	81	34	115	$657,509	—	$20,001
Belgium/Luxembourg	44	16	60	487,016	44	16	60	491,932	44	16	60	502,369	—	10,437
Cyprus	10	5	15	324,109	10	5	15	360,535	10	5	15	363,145	—	2,610
Denmark	72	8	80	297,447	72	8	80	303,719	72	8	80	317,632	—	13,913
Finland	44	25	69	555,082	44	25	69	591,933	44	25	69	603,933	—	12,000
France	142	70	212	1,106,737	142	70	212	1,382,476	142	70	212	1,419,343	—	36,867
Germany, Federal Republic of	435	223	658	5,868,965	435	223	658	6,081,382	435	223	658	6,195,814	—	114,432
Greece	57	18	75	870,534	57	18	75	623,303	57	18	75	636,346	—	13,043
Iceland	30	22	52	182,196	30	22	52	200,884	30	22	52	209,929	—	9,045
Ireland	16	4	20	121,073	16	4	20	123,094	16	4	20	126,573	—	3,479
Italy	126	84	210	1,372,913	126	84	210	1,394,135	126	84	210	1,430,658	—	36,523
Malta	1	1	2	45,058	1	1	2	45,260	1	1	2	45,608	—	348
Netherlands	47	37	84	585,776	47	37	84	699,791	47	37	84	714,399	—	14,608
Norway	31	23	54	495,487	31	23	54	468,557	31	23	54	477,948	—	9,391
Portugal	74	19	93	574,102	74	19	93	603,079	74	19	93	619,252	—	16,173
Spain	201	29	230	3,716,656	201	29	230	3,769,453	201	29	230	3,809,452	—	39,999
Sweden	64	24	88	401,880	64	24	88	410,774	64	24	88	426,079	—	15,305
Switzerland	4	—	4	67,265	4	—	4	67,669	4	—	4	68,365	—	696
Turkey	89	30	119	1,535,201	89	30	119	1,448,867	89	30	119	1,469,563	—	20,696
United Kingdom	199	174	373	1,633,801	199	174	373	1,653,864	199	174	373	1,718,734	—	64,870
Regional	—	21	21	78,904	—	21	21	81,037	35	32	67	1,002,668	46	921,631
Cooperation w/Private Institutions	—	—	—	275,356	—	—	—	198,542	—	—	—	206,881	—	8,339
Other Program Expenses:														
Contract Agency Costs	—	—	—	1,752,660	—	—	—	2,101,780	—	—	—	2,190,054	—	88,274
University-to-University	—	—	—	200,603	—	—	—	347,781	—	—	—	362,387	—	14,606
Teacher Exchange	—	—	—	893,988	—	—	—	870,000	—	—	—	906,540	—	36,540
Other Academic Expenses	—	—	—	202,147	—	—	—	517,871	—	—	—	607,141	—	89,270
Total, Other Program Expenses	—	—	—	3,049,398	—	—	—	3,837,432	—	—	—	4,066,122	—	228,690
Total	1,767	867	2,634	24,270,842	1,767	867	2,634	25,475,226	1,802	878	2,680	27,088,322	46	1,613,096

	1985 Actual				1986 Estimate				1987 Estimate				Increase or Decrease (-)	
	No. of Grants				No. of Grants				No. of Grants					
	For.	U.S.	Total	Funds	For.	U.S.	Total	Funds	For.	U.S.	Total	Funds	No. of Grants	Funds
Deduct Foreign Government Contributions	—	—	—	$-8,312,920	—	—	—	$-8,312,920	—	—	—	$-8,312,920	—	$ —
Total, U.S. Government Funds	1,767	867	2,634	15,957,922	1,767	867	2,634	17,162,306	1,802	878	2,680	18,775,402	46	1,613,096
Deduct Funds on Hand, Binational Commissions	—	—	—	-1,876,695	—	—	—	-2,103,655	—	—	—	-2,103,655	—	—
Deduct Reimbursements	—	—	—	-72,848	—	—	—	-105,256	—	—	—	-105,256	—	—
NET APPROPRIATION	1,767	867	2,634	14,008,379	1,767	867	2,634	14,953,395	1,802	878	2,680	16,566,491	46	1,613,096

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

SOVIET UNION AND EAST EUROPE

Summary of Requirements	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Total Program	$11,519,296	$12,569,774	$14,321,094	$1,751,320
Deduct all other funds	-81,961	-207,932	-207,873	59
Direct Obligations	11,437,335	12,361,842	14,113,221	1,751,379

I. SUMMARY

Relations between the United States and the countries of Eastern Europe and the Soviet Union are of critical importance to the overall interests of U.S. foreign policy. For a quarter of a century, the U.S. Government has recognized the importance of conducting academic exchanges with these nations despite variations in the policial climate which affected contacts between us. Educational exchange programs afford a unique opportunity for American scholars to learn more about the relatively closed societies of Eastern Europe and for scholars from the USSR and Eastern Europe to gain a clearer understanding of the United States, thereby dispelling misconceptions while advancing academic knowledge in fields of mutual concern.

During the middle and late 1970s, educational exchanges between the U.S. and the U.S.S.R. were expanded and diversified. However, the Soviet invasion of Afghanistan brought a hiatus to this activity. The recent signing of a cultural accord between the U.S. and the Soviet Union will provide the foundation for improved exchange possibilities. It is our hope that 1986 will see renewed activity in all aspects of exchange opportunities.

The imposition of martial law in Poland in 1981 and the subsequent crackdown on educational and cultural activities in 1982 have resulted in a reduced international visitor program with that country. Exchange activities with Romania, Hungary and Bulgaria are conducted under bilateral agreements. We have no agreements with Yugoslavia, East Germany, Czechoslovakia and Poland. We will continue to conduct exchanges with the countries of this area to the extent that it is in our national interest and at levels appropriate to the current international environment.

II. 1985 AND 1986 PROGRAMS

The conclusion in 1985 of a US-USSR cultural exchanges agreements will, we hope, lead eventually to an expansion of academic exchanges which decreased sharply during the previous six years when no agreement was in force. We also hope that the agreement with the USSR may lead in time to expansion of exchanges with other countries in Eastern Europe. In 1986 we will continue to seek expansion of exchanges wherever possible, full implementation of existing bilateral agreements, and increased contacts between American and Eastern European educational institutions. We will also work to improve, where possible, the pre-departure orientation and training of American scholars proceeding to the area so that they may derive the maximum benefit from their visits to these countries.

International visitor programs have increasingly emphasized multiregional group projects for foreign leaders. These projects are generally more effective than individual programs and serve to expose participants to the views and concerns of the multiplicity of societies, cultures and political systems of an interdependent world.

III. 1987 PLANS

The nature of our programs in 1987 will depend in large measure on the political climate of our relations with the countries of Eastern Europe and the USSR and on the willingness of these countries to facilitate and expand exchanges with the United States. Political reality will determine the level of exchanges which will be possible. The Agency will take advantage of whatever opportunities may be presented to provide the people of these countries with the broadest possible access to free and open dialogue with their American counterparts.

The increase of $1,751,379 will provide program enhancements of $1,064,000 for the 1987 program and mandatory cost increases of $687,320.

SOVIET UNION AND EAST EUROPE

International Visitors

	1985 Actual		1986 Estimate		1987 Estimate		Increase or Decrease (-)	
	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds	No. of Grants	Funds
Bulgaria	7	$ 31,081	8	$ 74,380	8	$ 78,250	—	$ 3,870
Czechoslovakia	9	45,625	10	92,976	10	97,813	—	4,837
German Democratic Republic	6	35,206	6	55,786	6	58,688	—	2,902
Hungary	26	144,376	23	213,845	23	224,970	—	11,125
Poland	23	145,785	22	204,547	22	215,131	—	10,584
Romania	16	79,178	16	148,762	16	156,501	—	7,739
U.S.S.R.	0	0	8	74,381	18	178,250	10	103,869
Yugoslavia	62	403,176	63	585,749	63	616,221	—	30,472
Other Program Expenses:								
Contract agency costs	—	345,482	—	462,985	—	482,036	—	19,051
Escort Interpreter Costs	—	385,101	—	415,954	—	436,518	—	20,564
Other Expenses	—	8,379	—	25,290	—	26,492	—	1,202
Total, Other Prog. Expenses	—	738,962	—	904,229	—	945,046	—	40,817
Total Exchanges	149	1,623,389	156	2,354,655	166	2,570,870	10	216,215
Deduct Reimbursements-Dollars .	—	-36,928	—	-71,908	—	-71,849	—	59
Net Appropriation	149	1,586,461	156	2,282,747	166	2,499,021	10	216,274

SOVIET UNION AND EAST EUROPE

Academic Exchanges

	1985 Actual				1986 Estimate				1987 Estimate				Increase or Decrease (-)	
	No. of Grants				No. of Grants				No. of Grants					
	For.	U.S.	Total	Funds	For.	U.S.	Total	Funds	For.	U.S.	Total	Funds	No. of Grants	Funds
Bulgaria	8	10	18	$331,839	8	10	18	$341,571	8	10	18	$354,513	—	$12,942
Czechoslovakia	13	10	23	488,574	13	10	23	501,009	13	10	23	517,547	—	16,538
Hungary	10	9	19	442,016	10	9	19	452,287	10	9	19	465,949	—	13,662
Poland	32	34	66	1,220,708	32	34	66	1,256,388	32	34	66	1,303,846	—	47,458
Romania	30	21	51	882,078	30	21	51	909,648	30	21	51	946,320	—	36,672
U.S.S.R.	10	14	24	490,770	10	14	24	503,745	10	14	24	521,002	—	17,257
Yugoslavia	59	54	113	1,719,964	59	54	113	1,875,469	59	54	113	1,956,722	—	81,253
Regional	—	27	27	131,418	—	27	27	146,015	—	33	33	329,429	6	183,414
Cooperation w/Private Institutions	—	—	—	2,157,641	—	—	—	2,143,677	—	—	—	2,233,712	—	90,035
Other Program Expenses:														
Contract Agency Costs	—	—	—	1,881,024	—	—	—	1,466,139	—	—	—	1,527,715	—	61,576
University-to-University	—	—	—	4,744	—	—	—	248,756	—	—	—	259,203	—	10,447
Teacher Exchange	—	—	—	—	—	—	—	—	—	—	—	—	—	—
U.S.S.R. Exchange Initiative ...	—	—	—	—	—	—	—	—	—	—	—	900,000	—	900,000
Other Academic Expenses	—	—	—	145,131	—	—	—	370,415	—	—	—	434,266	—	63,851
Total, Other Program Expenses	—	—	—	2,030,899	—	—	—	2,085,310	—	—	—	3,121,184	—	1,035,874
Total	162	179	341	9,895,907	162	179	341	10,215,119	162	185	347	11,750,224	6	1,535,105
Deduct Foreign Government Contributions	—	—	—	-41,610	—	—	—	-41,610	—	—	—	-41,610	—	—
Total, U.S. Government Funds	162	179	341	9,854,297	162	179	341	10,173,509	162	185	347	11,708,614	6	1,535,105
Deduct Funds on Hand, Binational Commissions	—	—	—	—	—	—	—	-94,414	—	—	—	-94,414	—	—
Deduct Reimbursements	—	—	—	-3,423	—	—	—	—	—	—	—	—	—	—
NET APPROPRIATION	162	179	341	9,850,874	162	179	341	10,079,095	162	185	347	11,614,200	6	1,535,105

B. Hubert H. Humphrey Fellowships (1985 Actual, $4,396,513; 1986 Estimate, $4,891,500; 1987 Estimate, $5,479,000; Increase, $587,500).

The Hubert H. Humphrey Fellowship Program is designed for promising mid-career professionals from Third World countries. The program offers a year of specially-designed graduate-level training at selected U.S. universities. Nomination and selection procedures are designed to attract and identify individuals in mid-career with demonstrated potential for leadership in public service. Priority fields of study are planning and management of resources (human, financial and material); public administration and management; health and nutrition; and agriculture. The program is administered for USIA by the Institute of International Education. Outstanding individuals in the private sector are also recruited in the expectation that their role in the development process is equally important as the public sector.

The Humphrey Fellowship program provides tangible recognition of the increasing importance of the Third World to our long-term national interests. It is a limited but significant link with future leaders who might otherwise have no direct experience with the United States.

This program was launched in September, 1979 when 27 Fellows were selected and placed at eleven universities in the United States. With 82 Fellows in fiscal year 1980, 106 in fiscal year 1981, 92 in fiscal year 1982, 125 in fiscal year 1983, 133 in fiscal year 1984, and 150 in fiscal year 1985, the program to date has reached 715 mid-career professionals from the developing world. In fiscal year 1986, it is anticipated that there will be 155 Fellows in the program. The 1987 request provides for 165 Fellows. The increase of $587,500 represents an augmentation of $382,000 for the 1987 program and mandatory cost increases of $205,500.

C. Congress-Bundestag Exchange (1985 Actual, $2,494,281; 1986 Estimate, $2,561,000; 1987 Estimate, $2,561,000; No Change).

The Congress-Bundestag Program, a Congressionally sponsored program between the United States and Germany, is part of the Youth Exchange Initiative. In 1985, the program is intended to provide full scholarships for year-long academic and homestay programs in Germany to participants from each congressional district. Each German electoral district will similarly provide a German exchangee to spend one year in the U.S. on a scholarship program funded by the FRG. The total costs of the program will be equally shared by the U.S. and the FRG, with approximately 500 Americans going to Germany and 500 young Germans coming to the United States.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

D. Private Sector Programs (1985 Actual, $7,904,303; 1986 Estimate, $14,341,960; 1987 Estimate, $10,894,008; Decrease, $3,447,952).

This activity provides selective assistance and grant support to non-profit activities of tax-exempt organizations and institutions that work in parallel with the Agency's mission and that are designed to promote mutual understanding between the people of the U.S. and other countries. Projects supported include international people-to-people exchange components with a lasting impact on the participants.

Current year programs include cooperative efforts with private organizations in support of bilateral agreements and traditional private sector exchange programs, and for priority programs in support of Agency objectives. Included in the 1986 and 1987 budgets is support of the Eisenhower Exchange Fellowship Program, the 1987 Pan American Games, and the International Games for the Handicapped held in the U.S.(1986 only) as mandated by Congress.

The net decrease of $3,447,952 in 1987 is the result of non-recurring costs of $2,500,000 for the International Games for the Handicapped, $500,000 for the Afghanistan Media project, $830,500 for unobligated balances carried into 1986 for the Eisenhower Foundation, and $500,000 for the Tufts University - Peoples Republic of China Business project, partially offset by increases of $352,548 to cover mandatory cost increases, and $530,000 to increase exchanges between young political leaders of the United States and USSR ($155,000), and support of the celebration of the Bicentennial of the U.S. Constitution ($375,000).

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

Summary of Direct Obligations by Program Activity

The following chart provides a recapitulation of the direct obligations of the programs funded under this appropriation. The preceding charts for the specific areas and countries provide a detailed breakdown of all funds utilized in the programs, including foreign government contributions, whereas the following summary depicts appropriated funds only.

	1985 Actual[a]	1986 Revised Estimate	1987 Estimate	Revised Increase or Decrease (-)
Academic Exchanges	$ 77,784,499	$ 90,350,156	$106,058,626	$15,708,470
International Visitor Exchanges	34,104,437	38,068,024	41,690,826	3,622,802
Hubert H. Humphrey Fellowships	4,396,513	4,681,500	5,479,000	797,500
Congress-Bundestag Exchanges	2,494,281	2,245,000	2,561,000	316,000
Private Sector Programs	7,817,500	13,690,500	10,776,548	-2,913,952
Total, Direct Funds (Comparative Basis)	126,597,230	149,035,180	166,566,000	17,530,820
Reconciliation to Appropriation:				
Add Unobligated Balances Carried In................	1,994	--	--	--
Deduct Balances Carried In	--	-14,577,180	--	14,577,180
Add Balances Carried Out	14,577,180	--	--	--
Enacted Appropriations, 1985 and 1986 (Comparative Basis)	141,176,404	134,458,000	166,566,000	32,108,000

---

[a] For comparative purposes, includes $1,176,404 in 1985 for exchange programs in India and Pakistan that were transferred from the former Special Foreign Currency Program appropriation in 1986.

RADIO CONSTRUCTION

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Appropriation Requirements (Relationship of Appropriation Estimate to Current Appropriation)	$91,648,000	$109,098,000	$131,708,000	$22,610,000

General Statement

These funds are used in the continuing Agency program to improve the technical capability of the Voice of America's worldwide broadcasting system. The 1987 budget request for the Radio Construction Appropriation totals $131,708,000. This will provide $106,473,000 for major construction, $14,930,000 for engineering system analyses and development, $517,000 for land rental, and $9,788,000 for the major improvements, replacements, and repair activities to maintain and improve the efficiency of exisiting facilities.

Explanation of Program

The President has stressed the increased need for the Voice of America (VOA) to function as a more effective instrument for disseminating accurate and objective international news and public affairs information. To become a more widely heard credible communications source, VOA's broadcasting facilities are being expanded and upgraded to incorporate modern electronic technology. Funds requested for 1987 will enable VOA to sustain substantial momentum in its multiyear expansion and technical improvement program.

Presently, VOA cannot effectively compete with other international broadcasting organizations. The Agency has no true 500,000 watt "superpower" radio transmitter, while the Soviet Union operates 37 such units, France 11, the Federal German Republic 9, and Great Britain 8. Much of VOA's equipment is aged and technically obsolete. More than 80% of the Voice's transmitters are at least 15 years old, with 35% of these components manufactured before 1955. VOA currently has the programming and technical capacity to broadcast only about half of the weekly program hours and language services provided by the Soviets. And in terms of present broadcasting hours to politically sensitive regions like Africa, Latin America, the Caribbean, Eastern Europe and East Asia, VOA ranks no higher than a fifth position among major international radio operators.

RADIO CONSTRUCTION

Responding to the President's policy direction, and supporting actions by the National Security Council and Congress, USIA has embarked upon a multiyear radio broadcasting modernization program. Agency plans call for new shortwave transmitting facilities to be built in Europe, Africa, and Asia; and medium wave (AM band) relay service to be initiated in the Central American and Caribbean regions. In addition, existing domestic and overseas stations, as well as Washington DC studio and technical facilities, will be upgraded to incorporate modern communication standards. In total, these improvements will enable more VOA programming and stronger radio signals to penetrate Eastern and Central Europe, the Soviet Union, Eastern and Southern Africa, the Caribbean Basin, and East Asia.

Since the 1983 supplemental appropriation initiated the VOA modernization, much has been accomplished and the program is well underway. A central engineering staff has been recruited and brought on-board and up-to-speed. Remarkable success in negotiation has authorized large new shortwave stations for Morocco, Sri Lanka, Thailand, and Puerto Rico, and a new short/medium wave complex in Botswana. Two years of front-end engineering has been completed and the advanced engineering contracts (Step I) have been awarded for the first four of these. Approximately $100 million of Radio Construction funds were obligated in 1985 after only $7 million in 1984. The initial goals, objectives, and principles of modernization have been translated into a technical direction endorsed by the VOA Radio Engineering Advisory Committee and the National Academy of Science. A temporary medium wave station in Costa Rica has been added to the VOA network and construction of a similar medium wave station in Belize is nearing completion. Other transmitter, studio, and master control construction projects are well underway. In order to prevent later site construction delays, the selection process for contractors of long lead-time procurement items such as: electric generators, transmitters and automated control equipment, will be initiated in 1986. This process requires an estimated commitment of over $60 million in 1986 funds, although contract award will not occur until 1987.

The technical direction of the VOA modernization program is predicated on the establishment of new stations, closer to the audience, with overlapping coverage so that simultaneous broadcasts on multiple frequencies arrive from different directions, thus providing more reliable signal delivery. Available technology has been blended into an integrated whole which offers the best means of delivery at the least potential operating costs. Project design and construction for shortwave stations will use antennas having controllable and steerable beams aimed only at the language region they serve. When propagation conditions are favorable, modern transmitters retain their electrical power efficiency when their power is reduced. Real-time monitoring and propagation predictions for the audience areas have been included along with worldwide network control to maintain the appropriate powered and shaped antenna beams on the audience areas and to circumvent on a network rather than station basis equipment outages when they occur.

RADIO CONSTRUCTION

The Radio Construction estimates have been made in 1985 constant dollars and thus reflect the effect of inflation since the original estimates were made in 1983 constant dollars. Firm estimates for each new station will be made as a part of the Architect/Engineer (A&E) process for each station, the process which produces the "build to" drawings, bill of materials, and detailed construction schedule.

Construction Program Accomplishments to Date

-- International agreements which will permit VOA to construct new shortwave facilities in Morocco, Sri Lanka, and Thailand, and a new short/medium wave facility in Botswana have been consummated. In addition, new Central America medium wave stations have been agreed upon by Governments in Costa Rica and Belize.

-- Negotiations are currently in progress for additional new shortwave relay facilities to be located in Europe, the Far and Middle East.

-- New 500,000 watt transmitter units are being installed at the Greenville, NC domestic relay station site.

-- In January 1985, temporary 50,000 watt medium wave relay service began from Northern Costa Rica. For the first time in VOA history, standard AM broadcast band transmission in Spanish is now being provided to Central America.

-- The Belize medium wave relay site is being prepared for second quarter 1986 temporary facility operations.

-- Site development for new relay facilities is underway in Morocco, Sri Lanka, and Thailand. Site acquisition is progressing in Puerto Rico, and Advanced Engineering and Technical Development (AE&TD) has started for the Morocco, Sri Lanka, Thailand and Puerto Rico projects.

-- Four new state-of-the-art Washington, DC broadcast studios and automated control units have been built and a new Los Angeles studio is operational. This project was part of VOA's renovation plan to modernize studios and central recording.

-- Engineering activity has started for the installation of state-of-the-art technology in the Washington, DC Master Control Room which will eventually coordinate all worldwide broadcast transmissions, twenty four hours per day.

-- Many of the Worldwide Planning Studies are completed. Interim results have already been used to effect immediate critical upgrades (e.g. additional power generation capacity in Liberia).

RADIO CONSTRUCTION

A total of $131,708,000 in 1987 budget authority is proposed for the fourth year of VOA's expansion and modernization program. This budget request provides $106,473,000 for Major Construction, $14,930,000 for Systems Analysis and Development, $517,000 for Land Rental, and $9,788,000 for Major Improvements, Replacements and Repairs.

We are still assessing the application of an overall 4.3 per cent reduction in the Radio Construction account required by the Balanced Budget and Emergency Deficit Control Act of 1985. While the detailed cuts have not been determined yet, generally the reduction will require stretching out the pace of obligations for major construction projects related to the multiyear modernization and expansion of the Voice of America's worldwide technical broadcasting facilities.

RADIO CONSTRUCTION

Summary of Direct Obligation Requirements

	1985 Actual	Revised 1986 Estimate	Revised 1987 Estimate	Revised Increase or Decrease (-)	1987 NOA Request	Page Ref.
A. Major Construction	$ 65,412,707	$ 87,043,704	$164,442,038	$ 77,398,334	$106,473,000	6
B. Systems Analysis and Development	24,037,782	13,878,734	17,551,337	3,672,603	14,930,000	23
C. Land Rentals	--	2,681,172	517,000	-2,164,172	517,000	27
D. Major Improvements, Replacements and Repairs	10,289,573	24,374,159	10,863,188	-13,510,971	9,788,000	27
Total, Direct Obligations	99,740,062	127,977,769	193,373,563	65,395,794	131,708,000	
Reconciliation to Appropriation						
Available from Prior Years	-87,197,394	-80,545,332	-61,665,563	18,879,769	--	
Recovery of Prior Year Obligations	-1,440,000	--	--	--	--	
Available in Subsequent Years	80,545,332	61,665,563	--	-61,665,563	--	
Enacted and Estimated Appropriations	91,648,000	109,098,000	131,708,000	22,610,000	131,708,000	

RADIO CONSTRUCTION

A. Major Construction (1985 Actual, $65,412,707; 1986 Estimate, $87,043,704; 1987 Estimate, $168,512,332).

This activity provides funds for the following construction projects:

	Direct Obligations				1987 NOA Request	Page Ref.
	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)		
1. Tangier, Morocco.................	$ 23,450,262	$ 14,607,023	$ 38,304,967	$ 23,697,944	$ 17,954,000	9
2. Sri Lanka........................	3,913,256	5,935,970	28,283,686	22,347,716	14,714,000	10
3. Thailand.........................	4,866,548	6,115,022	19,855,430	13,740,408	14,363,000	11
4. Puerto Rico......................	5,127,573	8,509,372	27,820,055	19,310,683	14,904,000	12
5. MW Stations Caribbean/Central America........................	10,970,627	19,034,625	21,312,000	2,277,375	21,312,000	13
6. Southern Africa (Botswana).......	6,500,000	5,692,000	5,752,000	60,000	5,752,000	14
7. Greece Refurbishment.............	876	--	6,611,527	6,611,527	2,612,000	15
8. Israel Project...................	--	2,318,242	3,675,000	1,356,758	3,675,000	16
9. New Far East.....................	--	--	8,781,667	8,781,667	3,071,000	17
10. New European.....................	--	11,000,000	7,916,000	-3,084,000	7,916,000	18
11. Security Enhancements............	--	1,100,000	200,000	-900,000	200,000	19
12. Liberia Refurbishment............	126,015	--	--	--	--	20
13. Antenna & Transmitter Replacement at Existing Sites..............	6,000	7,183,000	--	-7,183,000	--	21
14. Greenville Transmitters..........	10,451,550	5,548,450	--	-5,548,450	--	22
Total..........................	65,412,707	87,043,704	168,512,332	81,468,628	106,473,000	

RADIO CONSTRUCTION

Explanation of Estimated Resource Requirements

During 1985, the Voice of America (VOA) performed various advanced engineering, design and construction activities for new radio relay stations in Morocco, Sri Lanka, Thailand, Puerto Rico, Costa Rica, and Belize. Delicate negotiations are still continuing in the Far East, Europe, the Middle East, Central America and the Caribbean region for additional broadcast facilities.

Added VOA relay station locations are necessary due to the radio transmission peculiarities of shortwave broadcasting which will constitute much of VOA's programming delivery. Consistently clear, loud shortwave signals can normally only travel over distances of approximately 1,700 miles. This is the extent of one shortwave radio signal reflection off the ionosphere back downrange to Earth, a "hop." Subsequent "hops" result in broadcast quality reductions. Therefore, multiple relay stations must be strategically located to guarantee good radio reception in targeted geographical areas. Opportunities for medium wave radio, listened to by significant populations, are also being actively pursued in relay site negotiations.

The estimated costs for the major construction projects are based on our latest available data including recent project definitions and scopes, and current cost factors. Total and yearly spending constraints require rescheduling and reallocation of available resources to maintain progress. As actual sites are selected, results of worldwide studies become known, and information from the Advanced Engineering and Technical Development (AE&TD) and Architect/Engineer (A/E) design contractors is received, further refinements to the estimated costs will be made.

In addition to expanding the VOA radio relay network, the need for refurbishing existing facilities is also being acted upon. The operation of relay installations has grown increasingly less productive due to age and technical limitations of their respective facilities and equipment. The exact extent of refurbishment requirements for current stations are now being developed by in-depth system evaluations. Updating technical capabilities of these relay units will serve to further enhance overall network coverage of the new Voice of America.

RADIO CONSTRUCTION

New budget authority of $106,473,000 is requested to continue the following major construction activities in 1987:

Morocco - Site development work and A/E activities will be completed, and the placement of long lead-time electrical equipment is scheduled.

Sri Lanka - Site work construction will be finished with A/E activities nearing completion, and the placement of long lead-time electrical equipment is scheduled.

Thailand - Advanced Engineering and Technical Development will be finished, and A/E activities nearing completion. In addition, long lead-time electrical equipment procurement is anticipated.

Puerto Rico - A/E activities will be completed and long lead-time electrical equipment procurement is anticipated.

Central America/Caribbean - Permanent facility construction will be underway at five sites if host country negotiations proceed as planned.

Southern Africa (Botswana) - The selection of an architect/engineer organization to prepare drawings, specifications and other construction documentation will begin and the placement of long lead-time electric generator and automated control systems will be initiated.

Greece Refurbishment - Advanced Engineering and Technical Development activities will be completed if host country negotiations proceed as planned. Also, placement of long lead-time contracts for power generators, transmitters, and the control systems will take place.

Israel - Advanced Engineering and Technical Development will be finished and A/E procurement will be initiated if host country negotiations proceed as planned.

New Far East - Advanced Engineering and Technical Development contract procurement will be initiated. In addition, power generator and transmitter contracts are to be placed if host country negotiations proceed as planned.

New European - Contracts will be awarded for new medium wave and shortwave transmitting equipment at the existing Munich Relay site. Also, Deutsche Bundespost is scheduled to provide VOA with transmitting service.

Security Enhancements - Security shortcomings will continue to be identified and rectified.

Additional details for each of these projects follow:

RADIO CONSTRUCTION

1. Tangier, Morocco

A new shortwave relay complex consisting of ten 500,000 watt transmitters in Tangier will permit VOA to reach more radio listeners in Eastern Europe and Northeastern and West Africa. A 1,150 acre site has been surveyed, boundaries staked out, and land secured. Site development design has been completed, and related site work construction contracts were awarded during 1985. Site work construction is scheduled to be completed late in the first quarter of 1987. Also, an Advanced Engineering and Technical Development contract which will document the functional and performance requirements of the future station has been awarded. Scheduled completion of this contract is the third quarter of 1986.

In 1986, the selection process for an A/E organization to prepare drawings, specifications, and other construction documentation will be initiated. Formal contract award is anticipated in the fourth quarter of 1986, with completion anticipated during the last quarter of 1987. Also in 1986, selection of contractors for long lead-time electric generators and automated control systems will be initiated. It is necessary to start the procurement process at this time to prevent later site construction delays.

In 1987, placement of electric generator and automated control system acquisitions as well as the transmitter and test load contracts is scheduled. These contracts for long lead items are part of a multiyear funded multiple station procurement strategy.

Construction is now estimated to be completed during the second quarter of 1991.

Cost Summary	Total Requirements	Cumulative Obligations 9/30/85	1985 Actual	1986 Estimate	1987 Estimate
Preliminary Site Work and Engineering Construction............	$ 22,513,698	$ 22,513,698	$ 22,425,950	$ --	$ --
Advanced Engineering and Technical Development...............	1,024,312	1,024,312	1,024,312	--	--
Architectural and Facilities Design (A/E).........................	12,949,990	--	--	12,949,990	--
Implementation (Construction).........	179,330,000	--	--	1,657,033	38,304,967
Total............................	215,818,000	23,538,010	23,450,262	14,607,023	38,304,967

RADIO CONSTRUCTION

2. Sri Lanka

A new 2,750,000 watt Sri Lanka shortwave (up to four high-powered 500 kilowatt and three 250 kilowatt shortwave transmitters) relay complex will enable VOA to reach radio listeners in South and West Asia and Soviet Central Asia. In addition, secondary coverage would be provided to Northeast Africa and Southeast Asia. An agreement was signed with the Sri Lanka Government on December 9, 1983, to allow for such a relay station, with a follow-on agreement transferring 1,200 acres of land being ratified on January 15, 1985. The land transfer will be subsequently completed in 1986. In late 1985, a site development design contract was signed, as well as an Advanced Engineering and Technical Development contract which will document the functional and performance requirements of the future station. Both of these contracts will be completed in 1986.

In 1986, a site development construction contract will be awarded to prepare the site for follow-on construction. Selection process for an A/E organization to prepare drawings, specifications, and other construction documentation will be initiated. Formal award of this contract is anticipated during the last quarter of 1986, with its completion expected by the first quarter of 1988. Also in 1986, selection of contractors for long lead-time electric generators and automated control systems will be initiated. It is necessary to start the station procurement process at this time to prevent later site construction delays.

In 1987, placement of electric generator and automated control system acquisitions as well as the transmitter and test load contracts is anticipated. These agreements for long lead items are part of a multiyear funded multiple station procurement strategy.

Construction is now estimated to be completed during the second quarter of 1991.

Cost Summary	Total Requirements	Cumulative Obligations 9/30/85	1985 Actual	1986 Estimate	1987 Estimate
Preliminary Site Work and Engineering Construction.............	$ 4,229,083	$ 4,229,083	$ 2,026,031	$ --	$ --
Advanced Engineering and Technical Development................	1,887,225	1,887,225	1,887,225	--	--
Architectural and Facilities Design (A/E).........................	3,430,000	--	--	3,430,000	--
Implementation (Construction)..........	139,713,692	--	--	2,505,970	28,283,686
Total...............................	149,260,000	6,116,308	3,913,256	5,935,970	28,283,686

RADIO CONSTRUCTION

3. Thailand

A new 3,250,000 watt Thailand shortwave (up to six high-powered 500 kilowatt and one 250 kilowatt shortwave transmitters) relay complex will enable VOA to reach radio listeners in South and Southeast Asia, in addition to the South Central Soviet Union. An agreement was signed with the Royal Thai Government (RTG) on April 4, 1984, to allow for the construction of such a relay station. A 1,200 acre site provided by the RTG is now fenced and secured. Site development design has been completed, and a related construction contract was awarded during 1985. This contract is scheduled to be completed late in the second quarter of 1986. An Advanced Engineering and Technical Development contract which will document the functional and performance requirements of the future station was awarded in late 1985. Scheduled completion of this contract is late 1986.

In 1986, the selection process for an A/E organization to prepare drawings, specifications, and other construction documentation will be initiated. A formal contract award is anticipated in the last quarter of 1986, with its completion anticipated during the last quarter of 1987. Also, in 1986, selection of contractors for long lead-time electric generators and automated control systems will be initiated. It is necessary to start the procurement process at this time to prevent later site construction delays.

In 1987, placement of electric generator and automated control system acquisitions as well as the transmitter and test load contracts is anticipated. These contracts for long lead items are part of a multiyear funded multiple station procurement strategy.

Construction is now estimated to be completed during the second quarter of 1991.

Cost Summary	Total Requirements	Cumulative Obligations 9/30/85	1985 Actual	1986 Estimate	1987 Estimate
Preliminary Site Work and Engineering Construction.............	$ 4,318,000	$ 2,619,655	$ 2,619,655	$ 1,698,345	$ --
Advanced Engineering and Technical Development.................	2,246,893	2,246,893	2,246,893	--	--
Architectural and Facilities Design (A/E).........................	3,440,000	--	--	3,440,000	--
Implementation (Construction)..........	112,669,107	--	--	976,677	19,855,430
Total..............................	122,674,000	4,866,548	4,866,548	6,115,022	19,855,430

RADIO CONSTRUCTION

4. Puerto Rico

The construction of a shortwave relay station in Puerto Rico will enable VOA to provide shortwave broadcast service to South America. This new relay station will consist of nine 500,000 watt shortwave transmitters. A 1,400 acre site located in Southwestern Puerto Rico has been selected. The site acquisition process and an environmental assessment were initiated in 1985. These efforts should be completed in the second quarter of 1986. An Advanced Engineering and Technical Development contract which will document the functional and performance requirements of the future station was awarded in late 1985, and will be completed during late 1986.

In 1986, the selection process for an A/E organization to prepare drawings, specifications, and other construction documentation will be initiated. Formal contract award is anticipated in the last quarter of 1986, with activities to be completed during the last quarter of 1987. Also in 1986, selection of contractors for long lead-time electric generators and automated control systems will be initiated. It is necessary to start the procurement process at this time to prevent later site construction delays.

In 1987, placement of electric generator and automated control system acquisitions as well as the transmitter and test load contracts is anticipated. These contracts for long lead items are part of a multiyear funded multiple station procurement strategy.

Construction is now estimated to be completed during the fourth quarter of 1991.

Cost Summary	Total Requirements	Cumulative Obligations 9/30/85	1985 Actual	1986 Estimate	1987 Estimate
Site Acquisition........................	$ 4,260,855	$ 4,260,855	$ 4,260,855	$ --	$ --
Advanced Engineering and Technical Development.................	1,530,000	866,718	866,718	663,282	--
Architectural and Facilities Design (A/E)..........................	3,720,000	--	--	3,720,000	--
Implementation (Construction)..........	151,435,145	--	--	4,126,090	27,820,055
Total..............................	160,946,000	5,127,573	5,127,573	8,509,372	27,820,055

RADIO CONSTRUCTION

5. MW in Central America/Caribbean

Medium wave (AM band) VOA relay stations are needed for making available accurate news and information to resident populations in Central America and the Caribbean. This broadcasting capability will help realize the U.S. Government's foreign policy goal of seeking to foster and stabilize free governments in the region.

In January 1985, the VOA Quesada, Costa Rica Relay Station commenced daily broadcasting from temporary transmitting facilities. During the second quarter of 1986, the VOA Punta Gorda, Belize Relay Station will start daily operations. The Agency has acquired four new 50 kilowatt transportable transmitters for deployment at temporary station sites when agreements are reached with future host countries. In late 1985, an A/E firm was placed under contract for designing standard medium wave relay stations.

In 1986, a contract will be awarded for procurement of 100 kilowatt transmitters to be used as permanent equipment at Central America/Caribbean relay stations. By mid 1986, A/E work will start on the designs for permanent Costa Rica and Belize Relay Station facilities. Negotiations are still underway for two new VOA relay facilities in the Caribbean and one in Central America.

In 1987, permanent facility construction is planned to be underway for all five projected regional relay stations.

Cost Summary	Total Requirements	Cumulative Obligations 9/30/85	1985 Actual	1986 Estimate	1987 Estimate
Preliminary Site Work and Engineering Construction............	$ 11,192,519	$ 11,192,519	$ 10,207,703	$ --	$ --
Advanced Engineering and Technical Development...............	2,238,700	--	--	2,238,700	--
Architectural and Facilities Design (A/E)........................	3,358,100	762,924	762,924	2,595,176	--
Implementation (Construction).........	36,894,681	--	--	14,200,749	21,312,000
Total............................	53,684,000	11,955,443	10,970,627	19,034,625	21,312,000

RADIO CONSTRUCTION

6. Southern Africa (Botswana)

A new short/medium wave relay complex consisting of up to six high-powered shortwave and up to two high-powered medium wave transmitters in Southern Africa will permit VOA to reach radio listeners in the Union of South Africa and other countries in Eastern and Central Africa.

In 1986 preliminary site work will be initiated. Also, an Advanced Engineering and Technical Development contract documenting the functional and performance requirements of the future station is planned for award. The selection process of contractors for long lead-time electric generators and automated control systems will be initiated. It is necessary to start the procurement process at this time to prevent later site construction delays.

In 1987, site work will continue and the selection process for an A/E organization to prepare drawings, specifications, and other construction documentation will be initiated. A formal A/E contract for these activities is expected to be awarded during the last quarter of 1987, with contract completion anticipated during the fourth quarter of 1988. Placement of the contracts needed for any long lead-time items will also be initiated in 1987.

Construction is now estimated to be completed during the first quarter of 1992.

Cost Summary	Total Requirements	Cumulative Obligations 9/30/85	1985 Actual	1986 Estimate	1987 Estimate
Preliminary Site Work and Engineering Construction.............	$ 12,900,000	$ 6,500,000	$ 6,500,000	$ 1,392,000	$ 1,000,000
Advanced Engineering and Technical Development.................	2,000,000	--	--	2,000,000	--
Architectural and Facilities Design (A/E).........................	2,000,000	--	--	--	2,000,000
Implementation (Construction)..........	48,600,000	--	--	2,300,000	2,752,000
Total.............................	65,500,000	6,500,000	6,500,000	5,692,000	5,752,000

RADIO CONSTRUCTION

7. Greece Refurbishment

VOA's Greek relay stations in Kavala and on Rhodes are in need of improvements to increase the reliability of their aging facilities. The stations broadcast to Eastern Europe, the USSR, the Middle East, and South Asia. Fourteen new 500 kilowatt shortwave transmitters are now planned for acquisition.

If host country negotiations proceed as planned in 1986, procurement action will start to select an Advanced Engineering and Technical Development contractor who will document functional and performance requirements for refurbishing the stations. This contract should then be awarded in 1987. Also during 1986, it will be required to start the procurement for vendors and contractors of selected long lead-time items such as: power generators, transmitters, and the automated control equipment. This action will be necessary to prevent later site construction delays.

In 1987, the placement of the long lead-time contracts for power generators, transmitters, and the control system will take place. These contracts are part of a multiyear funded, multiple station procurement strategy. An Advanced Engineering and Technical Development contract will be let this fiscal year with its completion scheduled during the fourth quarter. Also during this year, the procurement of A/E design services will be initiated.

Construction is now estimated to be completed in 1992.

Cost Summary	Total Requirements	Cumulative Obligations 9/30/85	1985 Actual	1986 Estimate	1987 Estimate
Preliminary Site Work and Engineering Construction..............	$ 4,000,000	$ 876	$ 876	$ --	$ 3,999,124
Advanced Engineering and Technical Development.................	2,000,000	--	--	--	2,000,000
Architectural and Facilities Design (A/E)..........................	3,000,000	--	--	--	--
Implementation (Construction)...........	72,000,000	--	--	--	612,403
Total...............................	81,000,000	876	876	--	6,611,527

RADIO CONSTRUCTION

8. Israel Project

A new 3,000,000 watt shortwave (up to six high-powered shortwave transmitters) relay complex in the Middle East will expand VOA coverage of the Central Soviet Union, Eastern Europe and East Africa. A search for a suitable Israeli site is currently underway, and negotiations with the Government are proceeding.

The procurement process for an Advanced Engineering and Technical Development contractor to document the functional and performance requirements of the future station will commence in FY 1986. Also, selection of suppliers for long lead-time electric generators and automated control systems will be initiated. These contracts for long lead items are part of a multiyear funded multiple station procurement strategy. It is necessary to start the procurement process at this time to prevent later site construction delays.

The Advanced Engineering and Technical Development agreement will be completed in the last quarter of 1987. The selection process for an Architect/Engineer (A/E) organization to prepare drawings, specifications, and other construction documentation will also be initiated.

Construction is now estimated to be completed late in 1992.

Cost Summary	Total Requirements	Cumulative Obligations 9/30/85	1985 Actual	1986 Estimate	1987 Estimate
Preliminary Site Work and Engineering Construction..............	$ 10,000,000	$ --	$ --	$ 2,318,242	$ 1,675,000
Advanced Engineering and Technical Development.................	2,000,000	--	--	--	2,000,000
Architectural and Facilities Design (A/E)..........................	3,018,000	--	--	--	--
Implementation (Construction)...........	122,666,000	--	--	--	--
Total..............................	137,684,000	--	--	2,318,242	3,675,000

RADIO CONSTRUCTION

9. New Far East

A new 3,000,000 watt shortwave (up to six high-powered shortwave transmitters) relay complex in this region will enable VOA to eliminate current broadcast coverage deficiencies cited by the National Security Council. This relay installation will permit the Voice to reach audiences in the Soviet Far East, Peoples Republic of China and Southeast Asia. It will bring into effective broadcast range those strategically important geographic areas which are now beyond present capabilities of VOA transmitting equipment. Negotiations with a potential host country are presently in progress.

The procurement process for obtaining the Advanced Engineering and Technical Development contractor, who will document the functional and performance requirements of this station, will be initiated in 1986 if host country negotiations proceed as planned. It will be necessary to start the procurement of vendors and contractors of selected long lead-time items, such as electric power generators and the automated control system. This is required to prevent later site construction delays.

In 1987, the placement of contracts for power generators and transmitters will take place. These contracts for long lead items are part of a multiyear funded multiple station procurement strategy. An Advanced Engineering and Technical Development contract will also be let in this fiscal year, with its scheduled completion set for the third quarter of 1988.

Construction is now estimated to be completed in 1993.

Cost Summary	Total Requirements	Cumulative Obligations 9/30/85	1985 Actual	1986 Estimate	1987 Estimate
Preliminary Site Work and Engineering Construction............	$ 10,000,000	$ --	$ --	$ --	$ 2,000,000
Advanced Engineering and Technical Development...............	2,000,000	--	--	--	2,000,000
Architectural and Facilities Design (A/E)........................	3,070,000	--	--	--	--
Implementation (Construction).........	100,690,000	--	--	--	4,781,667
Total............................	115,760,000	--	--	--	8,781,667

RADIO CONSTRUCTION

10. New European

This project consists of: (1) a service agreement with the Deutsche Bundespost (German Federal Post & Telecommunications) to provide for the use of four powerful high frequency transmitters and associated antennas at its Wertachtal radio transmitting station; and, (2) replacing outdated 300 kilowatt medium wave and 8 kilowatt shortwave transmitters at VOA's Munich Relay Station. The service agreement will significantly enhance the VOA's ability to broadcast into Northern and Eastern Europe and the Soviet Union. The agreement under negotiation with the Federal Republic of Germany (FRG) contains a contingency clause reflecting FRG law that would make the USG liable for a graduated schedule of cancellation charges should we terminate the contract. While we believe such an action is unlikely, authority to cover these contingent costs, required under the Antideficiency Act, is requested in 1987 for this purpose (see Tab 4, "Explanation of Language Changes" of this budget).

In 1986, VOA will begin solicitation of new medium and shortwave transmitting equipment for the Munich Relay Station.

In the first quarter of 1987, the Deutsche Bundespost will start providing service to VOA on one 500 kilowatt high frequency transmitter with a second unit becoming operational during the fourth quarter. Contracts will also be awarded for new medium and shortwave transmitting equipment at the Munich Relay Station.

Completion of medium and shortwave transmitting equipment upgrading at the Munich Relay Station is planned for 1988. The initial term of the service agreement will be effective through 1990, with options for up to four (4) additional five-year periods.

This project will eventually replace VOA's antiquated high frequency radio facilities in the German Federal Republic through a service agreement with the Deutsche Bundespost.

Cost Summary	Total Requirements	Cumulative Obligations 9/30/85	1985 Actual	1986 Estimate	1987 Estimate
Medium/Shortwave Transmitter Upgrade...	$ 5,000,000	$ --	$ --	$ 1,000,000	$ 4,000,000
Deutsche Bundespost Transmitter Rental A/	13,916,000	--	--	10,000,000	3,916,000
Total..............................	18,916,000	--	--	11,000,000	7,916,000

A/ Rental for the period FY 1986 - 1987.

RADIO CONSTRUCTION

11. Security Enhancements

The increase of terrorism worldwide directed at U.S. Government facilities has caused concern for the safety of personnel and property. Adequate security measures at existing VOA relay stations must be insured. The goal is to strive towards 24 hour continuous protection for all staff and facilities. The 1985 program has concentrated on the overseas stations, with the bulk of funding designated for communications equipment and relay installations with the greatest perceived threat. Deficiencies are identified during on-site inspections by the Office of Security. Enhancements usually include physical security features such as fences and gates, intrusion detection systems, lighting, communications, alarms, locks, etc.

In 1986, the correction of identified deficiencies at overseas stations with the greatest threat shall continue. Resource allocations will be coordinated with the Office of Security. System-wide procurement to the maximum extent possible will be used to obtain state-of-the-art equipment that meets Agency standards. Economies in ordering, installation and maintenance will accrue from this method.

During 1987 and subsequent years, continuing progress is expected to be made in identifying and eliminating weaknesses in physical security at both overseas and domestic relay stations.

It is anticipated that the threat assessment updates in our changing world will require additional measures to maintain an effective security posture. The program objective will be to provide a safe environment to conduct the operational mission of VOA facilities.

Cost Summary	Total Requirements	Cumulative Obligations 9/30/85	1985 Actual	1986 Estimate	1987 Estimate
Architectural and Facilities Design (A/E)..........................	$ 100,000	$ --	$ --	$ 100,000	$ --
Implementation (Construction)..........	1,800,000	--	--	1,000,000	200,000
Total............................	1,900,000	--	--	1,100,000	200,000

RADIO CONSTRUCTION

12. Liberia Refurbishment

To improve the reliability of the aging facilities at the Liberia Relay Station, which broadcasts to Europe, Brazil, and Africa, the purchase and installation of additional 820 kilowatt engine generators to upgrade the existing powerplant was completed in 1985. No additional funding is requested in 1987.

Cost Summary	Total Requirements	Cumulative Obligations 9/30/85	1985 Actual	1986 Estimate	1987 Estimate
Preliminary Site Work and Engineering Construction.............	$ 1,735,146	$ 1,735,146	$ 126,015	$ --	$ --
Advanced Engineering and Technical Development.................	--	--	--	--	--
Architectural and Facilities Design (A/E).........................	--	--	--	--	--
Implementation (Construction)..........	--	--	--	--	--
Total.............................	1,735,146	1,735,146	126,015	--	--

RADIO CONSTRUCTION

13. Antenna and Transmitter Replacement at Existing Sites

In 1986, the A/E design and installation contract for the domestic satellite interconnect system will be awarded. This contract will provide necessary antenna upgrades in support of the domestic satellite interconnect project. Also in 1986, contracts are to be awarded for antenna and tower design and for the computer aided design system. No additional funding is requested in 1987.

Cost Summary	Total Requirements	Cumulative Obligations 9/30/85	1985 Actual	1986 Estimate	1987 Estimate
Advanced Engineering and Technical Development................	$ 7,189,000	$ 6,000	$ 6,000	$ 7,183,000	$ --
Architectural and Facilities Design (A/E)..........................	--	--	--	--	--
Implementation (Construction)..........	--	--	--	--	--
Total...............................	7,189,000	6,000	6,000	7,183,000	--

1747

RADIO CONSTRUCTION

14. Greenville Transmitters

This project involves the installation, testing, evaluation, and commissioning of 500kW transmitters in the VOA relay station in Greenville, NC. Experience gained through the requisition, evaluation and operation of these transmitters will be used, along with other data, to prepare future procurement specifications for the multiple buy of high frequency transmitters that VOA will acquire as part of its modernization and expansion program. Following their evaluations the transmitters will become important additions to the VOA's broadcasting capabilities. No additional funding is required in 1987. Contracts for four new transmitters of different manufacturers were awarded in January 1985. VOA testing of the four 500kW transmitters from different manufacturers will begin in April 1986. Contracts have been awarded to Brown Boveri, Continental, Telfunken-AFG, and Marconi for 500kW shortwave transmitters. Three of the four transmitters have been delivered to Greenville and are in the installation and commissioning stages. The last transmitter is expected to be delivered in February 1986. No testing has been performed to date. Results of the evaluation will enable VOA to finalize the performance specifications for future 500kW shortwave tramsmitters. Final selection of a transmitter that will meet those functional requirements will be through a firm fixed-price competitively bid contract.

Cost Summary	Total Requirements	Cumulative Obligations 9/30/85	1985 Actual	1986 Estimate	1987 Estimate
Implementation (Construction)..........	$ 16,000,000	$ 10,451,550	$ 10,451,550	$ 5,548,450	$ --

RADIO CONSTRUCTION

B. Systems Analysis and Development (1985 Actual, $24,037,782; 1986 Estimate, $13,878,734; 1987 Estimate, $17,953,000).

Systems Analysis and Development activities concentrate on assessing the generic characteristics of modern radio broadcasting technology. Such a comprehensive global evaluation is being made in order to avoid short-sighted piecemeal investment decisions. A greater level of understanding in this area will permit VOA to more effectively accomplish its overall technical program mission by obtaining state-of-the-art performance from its facilities and taking advantage of all opportunities to reduce cost.

New budget authority of $14,930,000 is requested in 1987 to explore radio wave propagation, long term broadcast technologies, transmission characteristics, network system integration, and radio monitoring advancements. In particular, shortwave propagation will be examined on a continuing basis to support the Agency's selection of internationally negotiated broadcast frequencies. Radio transmission characteristics shall be analyzed to evaluate new equipment and propagation configurations for the Agency's Modernization Program. An integrated system effort will continue during 1987 by the establishment of initial operational control links for relay network management. And, to make the VOA broadcasting system more productive, new monitoring techniques will be developed and installed for quickly gauging transmission capabilities in selected geographical locations. To perform these complex analytical tasks, the acquisition of software, data bases, and technical expertise will also continue.

Anticipated Major 1987 Activities

-- Begin enhancing system control capabilities by interactively linking two domestic relay stations with the Washington, DC Control Center, and initiating network control equipment purchases for other existing relay facilities.

-- Continue monitoring equipment acquisitions and installations.

-- Continue necessary radio engineering modeling and simulation both for site design and frequency allocation purposes.

-- Continue developmental activity on audio signal processing for enhanced speech intelligibility.

-- Continue developmental activity on techniques to upgrade the capability of existing transmitters.

RADIO CONSTRUCTION

B. Systems Analysis and Development	Direct Obligations				
	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)	1987 NOA Request
1. Continuing Effort	$ 791,463	$ 623,030	$ 500,000	$ -123,030	$ 500,000
2. Direct Broadcast Satellite	96,000	--	--	--	--
3. Worldwide Antenna Analysis/Design	10,368,126	1,231,848	--	-1,231,848	--
4. Worldwide Technical Transmission Requirements	7,912,540	2,533,390	--	-2,533,390	--
5. Worldwide Power Generation System Requirements Analysis/Design	437,478	840,251	--	-840,251	--
6. Worldwide Operations Center and Network Control	676,782	2,335,218	9,621,000	7,285,782	7,000,000
7. Worldwide Automation	3,230,000	--	--	--	--
8. Worldwide Monitoring Analysis/Design	170,743	2,477,997	4,000,000	1,522,003	4,000,000
9. Investigate Station Characteristics and Station Location to fill Existing Gaps	3,900	--	--	--	--
10. Propagation Software Development	350,469	--	1,430,000	1,430,000	1,430,000
11. Determine Suitability of New Developments in Technology to HF Broadcasting Program Delivery	281	--	--	--	--
12. Radio Systems Engineering/Technical Support	--	3,837,000	2,402,000	-1,435,000	2,000,000
Total	24,037,782	13,878,734	17,953,000	4,074,266	14,930,000

Additional details follow:

RADIO CONSTRUCTION

Continuing Effort

Voice of America operations require that its broadcast frequencies be allocated in coordination with international regulatory and advisory organizations, such as the International Frequency Registration Board (IFRB) and other Free World external broadcasters. To properly prepare for these important negotiations, VOA must conduct shortwave propagation and other technical analyses in coordination with other U.S. Government Agencies participating in international negotiations. These funds are employed mostly to support inter-Agency agreements combining specialized U.S. Government resources. Additional system investigations and data analyses are also needed to be ready for the influential 1987 High Frequency World Administrative Radio Conference (HF-WARC), and for formal discussions relating to future direct radio broadcasting from satellites (SPACE-WARC).

Worldwide Operations Center and Network Control

A key element in VOA's overall Modernization Program is the Worldwide Operations Center (WOC). When completed, this facility will provide centralized automated control over the Voice's dispersed broadcasting system. For the first time, the many radio network components of VOA are to be linked together, and operated as an effective integrated entity from an operations center co-located with programming studios in Washington, DC. Status monitoring will indicate the disposition of VOA technical facilities worldwide and permit rapid reallocation and response to contingencies. The Operations Center will be capable of both receiving and processing control data, in addition to distributing operational information throughout the world. In 1985, a worldwide analysis effort was initiated to establish design requirements, and to determine how and to what extent various radio broadcasting functions will be controlled. The first step of the Worldwide Operations Center will be implemented during 1986 with the validation of concepts. Proven techniques then shall be incorporated into the Center beginning in 1987.

Worldwide Monitoring Analysis

The Worldwide Monitoring Analysis budget element concentrates on the evaluation of monitoring techniques, and developing devices which can assess broadcast signal quality in various distant locations. When functional, an automated frequency monitoring system will enable VOA to quickly respond to changes in broadcast propagation, and minimize the impact of intentional and unintentional interference. In 1985, a benchmark study of monitoring requirements was completed. During 1986, initial monitoring equipment acquisition and installation contracts will be awarded. Funds are required in 1987 for continuing purchase and installations of monitoring equipment worldwide based on prior studies. Three bistatic backscatter monitoring stations concepts are to be investigated for remote field strength sensing. Such capabilities could have valuable monitoring applications in inaccessable geographic areas. In addition, highly sensitive, large, distributed array systems shall be acquired and tested as techniques for overcoming intentional and unintentional interference.

RADIO CONSTRUCTION

Propagation Software Development

To support the VOA modernization effort, comprehensive engineering-oriented computer programs, data packages, and computer facility access must be acquired. Application software requirements were not included in the VOA's original engineering computation system procurement package for computer hardware. Since hardware has already been selected and specific modernization requirements are now becoming known, analytical software must be developed. At the present time, a major shortwave propagation program is being acquired and expanded to include medium wave (standard AM broadcast band) coverage. Additionally, software will be developed to satisfy a multitude of systems analysis needs such as: automated control of radio facilities equipment, computer aided design/drafting, project management and scheduling, broadcasting scheduling, global network simulation, technical antenna analysis and data base management. Also, funds are budgeted for access to, and procurement of, critical data sources which will support anticipated system analysis tasks. Some of these expenses will be of a one-time nature, although program maintenance and data base support will continue into future years.

Radio Systems Engineering and Technical Support

The Voice of America must maintain continuing access to specialized engineering expertise from industry and academia, especially in technical areas where full-time permanent VOA staffing would not be cost justified. Such technical support is important as major renovation and new site projects advance, and demands on VOA's staff increase beyond internal capacities. It is realistically expected that numerous technical issues will arise, often of a time-sensitive and very specialized nature, which can not be adequately resolved by in-house personnel. Basic Ordering Agreements (BOA) or some similar contractual arrangement will be instituted for providing VOA with quick access to several organizations which possess special engineering and radio broadcasting talents. VOA, with assistance from the National Academy of Science and its Radio Engineering Advisory Committee, is developing a detailed long range capital investment strategy. This plan will focus on continued radio network improvements beyond facility and equipment upgrading which becomes operational during the near term.

RADIO CONSTRUCTION

C. Land Rentals (1985 Actual, $--; 1986 Estimate, $2,703,403; 1987 Estimate, $517,000).

A total of $517,000 is required in 1987 to satisfy land rental obligations stipulated by negotiated agreements for both the Kavala and Rhodes, Greece radio relay facilities.

D. Major Improvements, Replacements and Repairs (1985 Actual, $10,289,573; 1986 Estimate, $24,374,159; 1987 Estimate, $11,271,000).

The VOA worldwide broadcasting system requires continuous maintenance and improvements to sustain its technical facilities competitively and reliably in the international broadcasting field. New budget authority of $9,788,000 is requested in 1987 for this purpose.

Increases over the next five years in the ongoing effort to maintain VOA broadcast equipment and facilities are essential if VOA is to continue broadcasting at current levels while modernization plans are implemented. The increases are explained primarily by the fact that as the antiquated and obsolete broadcast equipment and support facilities owned by VOA age and deteriorate further, they cost more to maintain. In 1984 and 1985 VOA initiated site technical evaluations and surveys as part of a comprehensive preventive maintenance program to prevent further deterioration of the existing relay stations. Such evaluations had not been undertaken for nearly 10 years. As a result of this lack of vigilance for so long a period, an increased number of M&R projects over recent levels will be identified. VOA has been critized by the General Accounting Office (GAO) for failure to properly maintain its facilities.

The VOA studios in Washington were built over 20-30 years ago. Dramatic improvements in technology in the ensuing years have rendered these facilities obsolete. Expansion of Central Recording studios will provide VOA with critically needed extra capacity to prepare and distribute program tapes to other broadcasters worldwide, who use VOA material and extend VOA's broadcast audience. Funding is needed to complete construction of new studios in response to the National Security Council's recommendation for adding additional languages and broadcast time. These new studios will be enlarged to provide production facilities not presently available and also stereo program production capability to support future European FM facilities. With the modernization and improvements in relay station broadcast equipment and studio facilities, it is essential to also provide high quality program feeds. Funding is needed to begin construction of earth stations in support of a Domestic Satellite Interconnect system to provide program, voice, and data channels as an initial step toward automated operations.

RADIO CONSTRUCTION

D. Major Improvements, Replacements and Repairs	Direct Obligations				1987 NOA Request
	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)	
1. Continuing Maintenance and Repair Program	$ 2,903,579	$11,416,395	$6,408,000	$-5,008,395	$6,000,000
2. Short-Term Improvements-Existing Sites	--	1,543,000	--	-1,543,000	--
3. Modernize Studios and Central Recording	1,035,808	5,312,143	--	-5,312,143	--
4. New Studios (NSC Recommended)	--	1,076,000	2,088,000	1,012,000	2,088,000
5. Washington Plant Power Distribution and Emergency Backup System	--	1,300,000	--	-1,300,000	--
6. Domestic Satellite Interconnect System	--	2,350,000	1,000,000	-1,350,000	1,000,000
7. Power Units for Worldwide Backup	550,000	--	--	--	--
8. Master Control	155,855	791,728	--	-791,728	--
9. Sound on Demand	249,836	1,889	--	-1,889	--
10. VOA Automated Aids	5,394,495	583,004	1,775,000	1,191,996	700,000
Total	10,289,573	24,374,159	11,271,000	-13,103,159	9,788,000

Additional details follow:

RADIO CONSTRUCTION

Continuing Maintenance and Repair

In the past, VOA has been criticized by the General Accounting Office for failing to properly maintain its radio facilities. Over the near term, ongoing efforts will be made to maintain existing Agency capital investments at current broadcasting performance levels, while overall technical improvement plans are later implemented by the VOA Modernization Program. These permanent improvements are essential to minimize annual maintenance expenses. As VOA properties continue to age, maintenance costs compound upward. The technical site evaluations and surveys conducted in 1984 and 1985 identified a larger number of justifiable maintenance and repair projects for funding.

To properly maintain VOA facilities, the 1987 request of $6,000,000 will continue the necessary revitalization to prevent the degradation that has occurred at existing facilities. Typical items under the 1987 Continuing Maintenance and Repair Program include:

a. emergency relay station M&R actions and miscellaneous recurring M&R Projects;
b. emergency Washington Plant M&R actions and miscellaneous recurring M&R Projects;
c. building and ground M&R including heating, ventilating and air conditioning;
d. power generation systems;
e. electrical distribution system rehabilitation;
f. transmitter and ancillary broadcast equipment; and
g. communication systems.

The maintenance and repair deficiencies identified above include recurring repairs and/or replacement of roads, buildings, antenna facilities, power generation equipment, power distribution systems, communication equipment, water supply systems, transmitters, air conditioning systems, fences, fuel storage facilities, telephone systems, personnel housing, and all the ancillary equipment associated with the foregoing items.

RADIO CONSTRUCTION

New Studios (NSC Recommended)

In response to National Security Council recommendations, new VOA studios are to be established for additional language services and broadcast air time. A reevaluation of program needs and streamlining of programming operations has lessened the need for the number of new studios originally planned from 17 to 8. One of the eight proposed studios will be enlarged to provide production capabilities not presently available and to develop common usage broadcasting space. Installation of a heating, ventilating and air conditioning system separate from VOA's main building services is also included in this particular capital improvement project.

Domestic Satellite Interconnect System

Funding in 1987 is needed for construction of domestic satellite earth stations. These facilities will permit high fidelity relay station program reception, and provide voice and data channel circuits necessary for automating VOA network control operations. Agency plans propose that a communication control center be initiated in Washington, DC for operational monitoring of all network earth terminals throughout the world, and the pilot control center scheduled for Greenville, NC will become a backup control unit.

VOA Automated Aids

An engineering computer system is being installed at VOA's Central Engineering Headquarters facilities during 1986. It is necessary that additional hardware be procured during 1987 to support this in-house Modernization Program computational capability. Computer aided design/drafting equipment will augment the mainframe computer to provide much needed configuration control abilities. Additional system enhancements are also necessary to support broadcast network control functions.

RADIO BROADCASTING TO CUBA

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Summary of Requirements..	$8,500,000	$10,239,900	$11,639,000	$1,399,100

General Statement

The Voice of America: Radio Marti Program began broadcasting 5:30 AM, May 20, 1985. The initial reaction of the Cuban government and the revamping of Cuban radio programs and practices in July 1985 in an attempt to compete reveal that the Radio Marti Program is attracting a large audience. The Program is now on the air for 17 1/2 hours daily, seven days a week.

The purposes of the Radio Marti Program, as set forth in P.L. 98-111, are: (1) to further open communication of information and ideas to the people of Cuba; (2) to serve as a consistently reliable and authoritative source of accurate, objective, and comprehensive news; (3) to broadcast programs which present a variety of views; (4) to function in accordance with all Voice of America standards; and (5) to promote the cause of freedom in Cuba.

News, correspondents reports, backgrounders, roundtables, documentaries, feature programs, and music comprise the daily broadcasts. There is a Program and News bureau located in Miami which produces programming material from sources unique to that area.

The 1987 estimate for the Radio Broadcasting to Cuba account totals $11,639,000. This amount is part of the overall 1987 budget level proposed by the Administration to enable USIA to consolidate the rebuilding and enhancement of the Agency's program capabilities accomplished or planned prior to the 1986 reductions required by the Balanced Budget and Emergency Deficit Control Act of 1985. In recognition of this, the 1986 cuts will be accommodated largely through deferrals and one-time reductions.

While we have not determined final details of the 4.3 per cent reduction in this account, a cut of that magnitude will require the following types of illustrative reductions: deferral of the planned realignment of the tower array at the Marathon transmitter site, restriction of overtime, reduction of overseas stringer feeds, and reduction of external research contracts.

The increase of $1,399,100 is requested to consolidate and continue programs at levels established under the 1986 Appropriations Act (P.L. 99-180). The funds will provide $265,440 for increased payments to GSA for domestic space; $222,000 for full-year and new price increases; $236,560 for within-grade increases and full-year costs of positions filled in 1986; $215,000 for the purchase and installation of a 50KW transmitter for the broadcast facility at Marathon, Florida; and $460,100 for adjustments to sustain programs affected in 1986 by reductions under the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177).

RADIO BROADCASTING TO CUBA

A balance of $1,979,191, available in 1986 from carryover and recoveries, was applied to non-recurring costs of $1,979,191 in 1986 for construction of broadcasting studios ($600,000), rehabilitation/realignment of the antenna tuning and phasing system and for construction of a permanent structure to house the transmitter and emergency generator at Marathon ($716,000), for costs related to the leasing of land at the Marathon transmitter site ($183,191), upgrading of the automated text preparation and editing system ($230,000), purchase of monitoring equipment for the F.C.C. ($100,000), and for one-time costs related to the startup and operation of a backup transmission site while Marathon is being upgraded ($150,000).

RADIO BROADCASTING TO CUBA

Summary of Requirements

	1985 Actual	Revised 1986 Estimate	1987 Estimate	Revised Increase or Decrease (-)	Page Ref.
POSITIONS:					
Domestic	187	187	187	—	4
FUNDS:					
A. Domestic Employee Compensation and Benefits	$4,264,107	$5,969,860	$6,398,420	$428,560	4
B. Indirect and Worldwide Programs					
1. News and Programs	1,071,340	972,915	1,148,670	175,755	7
2. Research and Policy	690,534	630,935	738,105	107,170	8
3. Technical Operations	587,579	791,720	602,735	-188,985	9
Sub-Total	2,349,453	2,395,570	2,489,510	93,940	
C. Program Direction and Administration	2,667,680	2,354,570	2,536,070	181,500	10
D. Acquisition and Construction of Radio Facilities	5,542,046	1,499,191	215,000	-1,284,191	11
Total, Direct Obligations	14,823,286	12,219,191	11,639,000	-580,191	
Reconciliation to Appropriation:					
Balances Carried In	-6,818,477	-495,191	—	495,191	
Balances Carried Out	495,191	—	—	—	
Recovery of Prior-Year Obligations	—	-1,484,000	—	1,484,000	
Total Enacted and Estimated Appropriations	8,500,000	10,240,000	11,639,000	1,399,000	

RADIO BROADCASTING TO CUBA

Explanation of Requirements

FUNDS:

A. Domestic Employee Compensation and Benefits (1985 Actual, $4,264,107; 1986 Estimate, $6,161,860; 1987 Estimate, $6,398,420; Increase, $236,560).

	1985 Actual		1986 Estimate		1987 Estimate		Increase or Decrease (-)	
	Pos.	Funds	Pos.	Funds	Pos.	Funds	Pos.	Funds
News and Programs....................	89	$1,896,609	89	$3,000,415	89	$3,115,930	—	$115,515
Research and Policy..................	31	758,083	31	1,017,535	31	1,056,695	—	39,160
Technical Operations.................	34	621,922	34	1,027,265	34	1,066,790	—	39,525
Program Direction and Administration..	33	987,493	33	1,116,645	33	1,159,005	—	42,360
Total............................	187	4,264,107	187	6,161,860	187	6,398,420	—	236,560

The net increase of $236,560 requested in 1987 will provide for within grade increases, full-year costs of positions filled in 1986, and other built-in salary changes.

RADIO BROADCASTING TO CUBA

The principal elements of the Radio Marti Program of the Voice of America and their major functions and activities are:

News and Programs are the two principal programming elements of the Radio Marti Program, responsible for writing, producing and broadcasting 17 1/2 hours daily, seven days a week. The News Division, with a staff of 44, is responsible for writing and producing newscasts, correspondent reports, background reports and news features. The News staff is headed by a Chief and Deputy Chief and includes an Assignments Staff, Sports Staff and reporters based in Washington and Miami. The Programs Division, with a staff of 45, headed by a Chief and a Deputy Chief, is responsible for all programming other than news, and includes all announcers and producers plus a Features Staff, a Public Affairs Unit, a Music Library, and a Special Programs Staff. There is also a News and Programs Bureau in Miami.

Research and Policy, with a staff of 31, is responsible for conducting extensive research into Cuban developments, including analyses of the Cuban economy, agriculture, political trends (foreign and domestic) and developments across the entire spectrum of Cuban society. Research and Policy also monitors Cuban media and maintains a research and reference library. Research specialists are based in Miami and Washington. The Director and Deputy Director of Research and Policy are based in Washington.

Technical Operations, a 34-person staff, is responsible for studio operations in Washington and Miami as well as the operation of the tranmitter site on Marathon Key, Florida. The Technical Operations staff is also responsible for maintenance of equipment and technical facilities.

Program Direction and Administration is the 33-person staff, headed by the Director, Radio Marti Program, and Deputy Director, responsible for the management of the Program as well as direction and oversight of all news and programming operations. The Office of the Director includes an Administrative Office and a Personnel Office.

B. Indirect and Worldwide Programs (1985 Actual, $2,349,453; 1986 Estimate, $2,631,570; 1987 Estimate, $2,489,510; Decrease, $142,060).

This estimate provides funds for program expenses as follows:

Office	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
1. News and Programs..............................	$1,071,340	$1,097,915	$1,148,670	$ 50,755
2. Research and Policy............................	690,534	705,935	738,105	32,170
3. Technical Operations...........................	587,579	827,720	602,735	-224,985
Total, Indirect and Worldwide Programs....	2,349,453	2,631,570	2,489,510	-142,060

1762

1. News and Programs (1985 Actual, $1,071,340; 1986 Estimate, $1,097,915; 1987 Estimate, $1,148,670; Increase, $50,755).

News and Programs include the management, planning, preparation and production of the programs and newscasts broadcast by the Radio Marti Program. The News Division produces newscasts, correspondent reports, background reports and news features, including sports. The Programs Division is engaged in general programming, including the production of public affairs programs, features, special programs including music and other entertainment. A News and Program Bureau in Miami provides expanded news coverage and produces entertainment programs, calling upon the wealth of talent and resources unique to this area.

RADIO BROADCASTING TO CUBA

Item of Expense	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Travel Costs	$ 54,285	$ 79,960	$ 87,955	$ 7,995
Talent (Stringers/Roundtables/Documentaries)	353,213	410,975	428,240	17,265
Communications (Telephone/Telex)	104,272	106,000	110,455	4,455
Newswire Services	161,823	205,000	213,610	8,610
Program Acquisitions	64,562	175,000	182,350	7,350
Radio Equipment	315,810	100,000	104,200	4,200
Music Library	17,375	20,980	21,860	880
Total, News and Programs	1,071,340	1,097,915	1,148,670	50,755

A net increase of $50,755 is requested in 1987 to provide for domestic price increases.

RADIO BROADCASTING TO CUBA

2. Research and Policy (1985 Actual, $690,534; 1986 Estimate, $705,935; 1987 Estimate, $738,105; Increase, $32,170).

The Radio Marti Program of the Voice of America is responsible for the transmission of information denied to the people of Cuba by the Cuban government, in particular information about Cuba and events in Cuba and elsewhere. A significant amount of research materials, supporting equipment, supplies, and efforts are required to gather adequate and reliable information about Cuba to fulfill this aspect of the legislative mandate. The research staff is responsible for gathering and compiling such information. In this respect, the Radio Marti Program broadly resembles RFE/RL. Without an extensive research effort, inaccurate or unbalanced reporting will result in a serious loss of credibility, defeating the very purpose of the Radio Marti Program.

Item of Expense	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Travel Costs..................................	$ 26,776	$ 43,335	$ 47,670	$ 4,335
Media Monitoring..............................	28,500	50,000	52,100	2,100
Audience Research.............................	127,085	240,400	250,500	10,100
Library and Information Processing............	420,423	248,400	258,835	10,435
Research and Analysis.........................	87,750	123,800	129,000	5,200
Total, Research and Policy................	690,534	705,935	738,105	32,170

A net increase of $32,170 is requested in 1987 to provide for domestic price increases.

RADIO BROADCASTING TO CUBA

3. Technical Operations (1985 Actual, $587,579; 1986 Estimate, $827,720; 1987 Estimate, $602,735; Decrease, $224,985).

The basic role of Technical Operations is to transmit and relay programs with the best signal possible to Cuba. Substantially all programs originate in Washington, D. C., studios. From this location, a satellite circuit is used to provide program material to the AM broadcast facility in Marathon, Florida.

Item of Expense	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Travel Costs	$ 21,804	$ 12,840	$ 14,125	$ 1,285
Satellite Lines	25,351	113,280	118,040	4,760
Security (Marathon)	215,354	177,910	185,385	7,475
Operations (Marathon)	27,180	173,690	180,985	7,295
Audio/Video Distribution System	197,845	---	---	---
Monitoring Equipment for FCC	---	100,000	---	-100,000
Backup Transmissions	---	150,000	---	-150,000
Replacement Parts and Supplies	100,045	100,000	104,200	4,200
Total, Technical Operations	587,579	827,720	602,735	-224,985

A net decrease of $224,985 results from non-recurring costs of $250,000 for costs related to the retuning of transmitter and security enhancements at the alternate transmission site while the Marathon transmitter and towers are being replaced and upgraded ($150,000), and purchase of equipment for the F.C.C. to facilitate the monitoring of Cuban interference levels with domestic broadcasts ($100,000). These decreases are partially offset by an increase of $25,015 to provide for domestic price increases.

RADIO BROADCASTING TO CUBA

C. Program Direction and Administration (1985 Actual, $2,667,680; 1986 Estimate, $2,386,570; 1987 Estimate, $2,536,070; Increase, $149,500).

These funds provide program expenses for the Director of the Radio Marti Program and associated staff functions, including the Office of Administration and Personnel and the Advisory Board.

Item of Expense	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Recruitment, Orientation and Training	$ 36,474	$ 53,500	$ 58,850	$ 5,350
Payments to GSA for Domestic Space.............	1,151,403	1,237,480	1,559,115	321,635
Renovation of Domestic Space...................	183,377	50,000	52,100	2,100
ADP Maintenance and Equipment..................	328,222	312,580	86,050	-226,530
Recording Tape.................................	82,399	75,000	78,150	3,150
Office Equipment and Furnishings...............	146,197	25,000	26,050	1,050
Security Expenses..............................	280,558	242,000	252,165	10,165
Home Leave, Transfer and Related Costs.........	127,485	56,250	61,875	5,625
Consultants....................................	22,499	---	---	---
Advisory Board.................................	7,914	55,490	61,040	5,550
Other Expenses.................................	301,152	279,270	300,675	21,405
Total, Program Direction and Administration	2,667,680	2,386,570	2,536,070	149,500

The net increase of $149,500 in 1987 is requested to provide $265,440 for increased costs of payments to GSA for domestic space, and $114,060 for other domestic price increases. These increases are partially offset by non-recurring costs of $230,000 in 1986 for ADP equipment to upgrade the automated text preparation and editing system for the News Division.

RADIO BROADCASTING TO CUBA

D. Acquisition and Construction of Facilities (1985 Actual, $5,542,046; 1986 Estimate, $1,499,191; 1987 Estimate, $215,000; Decrease, $1,284,191).

Item of Expense	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Washington Studios	$1,584,033	$600,000	$ --	$-600,000
Miami Studios	161,256	--	--	--
Lease/Purchase of Land (Marathon)	3,545,319	183,191	--	-183,191
50 KW Transmitter (Marathon)	195,728	--	215,000	215,000
Refurbish/Realign Antennas (Marathon)	--	464,000	--	-464,000
A/E Contracts	55,710	--	--	--
Housing for Transmitter	--	252,000		-252,000
Total, Acquisition and Construction of Facilities	5,542,046	1,499,191	215,000	-1,284,191

The net decrease of $1,284,191 results from non-recurring costs of $1,499,191 for costs related to the construction of broadcasts studios in Washington ($600,000) and rehabilitation of the antenna tuning and phasing system/realignment of tower array ($464,000), construction of a permanent structure to house the transmitter and emergency generator ($252,000), and lease of land ($183,191) for the broadcasting facility at Marathon. It was necessary to continue leasing the property at Marathon for several months in 1986 because the purchase was not finalized in 1985 as expected due to legal technicalities involving the title.

These decreases are partially offset by an increase of $215,000 to provide funds for the purchase and installation of an additional 50KW backup transmitter for Marathon.

RADIO BROADCASTING TO CUBA

In 1985, a contract was awarded for the construction of broadcast facilities in Washington (consisting of two production studios, one recording booth, and master control), including special soundproofing requirements due to the close proximity of railroad tracks to the Radio Marti Program offices. The original specifications and requirements were developed in 1984. The unforeseen and long delay in getting the studio contract underway gave rise to an internal reevaluation of these specifications. As a result, we have determined that extensive soundproofing of the studios is not required. Due to the new soundproofing specifications we find that modular studios meet our requirements in lieu of block and mortar construction specified in the contract. Consequently, we have recently cancelled the contract and recovered an estimated $1,484,000. New contracts totaling $600,000 will be let in 1986 to purchase a modular studio, relocate the existing modular studios and recording booths, and to install emergency power for studio complex, resulting in a net savings of $884,000 for the Washington studio project.

These savings will be applied to other important needs in 1986, consisting of $554,000 to rehabilitate the antenna tuning and phasing system/realignment of tower array at the Marathon facility; $230,000 to upgrade the automated text preparation and editing system; and $100,000 to purchase equipment for the Federal Communications Commission to facilitate the monitoring of Cuban interference with domestic broadcasts.

RADIO BROADCASTING TO CUBA

Recapitulation of Total Costs by Activity

Program Activity	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
News and Programs	$2,967,949	$4,098,330	$4,264,600	$ 166,270
Research and Policy	1,448,617	1,723,470	1,794,800	71,330
Technical Operations	1,209,501	1,854,985	1,669,525	-185,460
Program Direction and Administration	3,655,173	3,503,215	3,695,075	191,860
Acquisition and Construction of Radio Facilities	5,542,046	1,499,191	215,000	-1,284,191
Total, Direct Obligations	14,823,286	12,679,191	11,639,000	-1,040,191
Reconciliation to Appropriation:				
Balances Carried In	-6,818,477	-495,191	--	495,191
Balances Carried Out	495,191	--	--	--
Recovery of Prior-Year Obligations	--	-1,484,000	--	1,484,000
Enacted and Estimated Appropriations	8,500,000	10,700,000	11,639,000	939,000
Pro-rata Reduction Pursuant to P.L. 99-177	XXX	-460,100	--	460,100
Revised and Estimated Appropriations	XXX	10,239,900	11,639,000	1,399,100

EAST-WEST CENTER

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
APPROPRIATION REQUIREMENTS (Relationship of Appropriation Estimate to Current Appropriation)	$19,000,000	$19,857,750	$20,288,000	$ 430,250

General Statement

The East-West Center (EWC) is an international educational institution located in Honolulu, Hawaii. The Center was established in 1960 by the United States Congress through the Mutual Security Act of 1960, Public Law 86-472, with the mandate to "promote better relations and understanding among the nations of Asia, the Pacific and the United States through cooperative study, training and research." Programs focus on nearly 60 countries in the region extending eastward from Iran through Asia and from Australia across the Pacific Ocean to the United States. The Center's international board of governors is composed of members from the United States, Asia and the Pacific. The Center's international staff works with some 2,200 men and women from Asia, the Pacific and the United States who receive EWC grants each year for study and cooperative research. Teams of interdisciplinary specialists work in the Center's four research institutes that deal with particular problem areas--Environment and Policy, Population, Resource Systems (food, energy and minerals) and Culture and Communication. In addition, the Pacific Islands Development Program focuses on a neglected geographical area, and Open Grants and Centerwide Programs examine a broad range of other subjects.

Research projects at the Center are selected through an ongoing process of exploring regional needs and problems between the Center's staff and specialists from the region. Research is in progress, for example, on such topics as the environmental effects of increased nuclear and coal use, problems caused by expanding and migrating populations, methods of maintaining food production and security, and the management of mineral resources. Through collaborative efforts with colleagues in Asian and Pacific nations, the Center carries out research on these problems, working both in Hawaii and in the field. Conferences and workshops held throughout the region bring information and people together, summarize experience, introduce new knowledge, and ultimately try to implement possible solutions. This collaborative work has had considerable direct impact on policies and policymakers, and also has led to the publication of hundreds of books, articles, manuals and reference materials. In addition to working with current participants and maintaining contact with former participants, the Center works with several hundred cooperating educational institutions, research centers and governmental agencies in the region.

Since the Center's inception, approximately 36,000 men and women from Asia, the Pacific and the United States have worked with permanent staff as active participants in EWC programs. Included in this number are presidents of several countries and territories, prime ministers, cabinet ministers, governors, prominent scholars, educators, journalists and business leaders. Representing many nations and a variety of cultures, professions and disciplines, these participants provide the depth of personal experience, concern and innovation essential to EWC programs. Some are fully funded by EWC grants. Others participate on a cost sharing basis provided by cooperating institutions and organizations.

EAST-WEST CENTER

In addition to the Congressional appropriation, the Center receives financial contributions from 26 Asian and Pacific governments and from a variety of private foundations, corporations and individual donors for program support. The Center is also developing a capacity to generate a broader base of funding primarily through the establishment of the East-West Center Foundation, a non-profit corporation. The Foundation's function is to obtain private sector support for the Center and to increase cost sharing of programs by participating institutions and governments.

The 1987 request for Congressional support is $20,288,000, an increase of $430,250 over the amount appropriated in 1986. This increase is requested to provide $112,000 for within-grade salary increases in 1987; $320,000 for increased cost of participants; $218,000 for inflationary increases in the costs of supplies, materials, and other services; $288,000 for across-the-board salary increases; and $892,250 for adjustments to sustain programs affected in 1986 by reductions under the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177). These increases are partially offset by non-recurring costs of $1,400,000 for one-time removal of asbestos from the Center's residence halls.

In addition to the amount provided by Congress, the Center also expects to generate an additional $5,628,000 from other sources of revenue, an increase of $618,000 over the amount estimated for 1986. These additional revenues will be used to meet increased costs for contracts and grants and other requirements.

In 1986, the Balanced Budget and Emergency Deficit Control Act of 1985 (PL 99-177) requires the Center to reduce its programs by $892,250. The Center is presently evaluating its program activities to determine where these reductions are to be made. The preliminary plans involve the following type of reductions: (1) freeze in the filling of all vacant positions; (2) termination of casual and temporary employees; (3) reduction in the number of participants; and (4) reduction in travel and equipment purchases.

EAST-WEST CENTER

Summary of Program Categories and Resources

Program Categories and Resources	1985 Actual	Revised 1986 Estimate	1987 Estimate	Revised Increase or Decrease (-)
A. Education, Research and Training Program				
Federal Appropriation	$14,610,000	$14,198,000	$15,483,000	$ 1,285,000
Other Revenue*	4,389,000	4,734,000	5,351,000	617,000
Subtotal, Education, Research and Training	18,999,000	18,932,000	20,834,000	1,902,000
B. Program Direction, Administration and Support				
Federal Appropriation	4,390,000	5,660,000	4,805,000	-855,000
Other Revenue*	558,000	276,000	277,000	1,000
Subtotal, Program Direction, Administration and Support	4,948,000	5,936,000	5,082,000	-854,000
C. Total Program and Resources				
Federal Appropriation	19,000,000	19,858,000	20,288,000	430,000
Other Revenue*	4,947,000	5,010,000	5,628,000	618,000
Total	23,947,000	24,868,000	25,916,000	1,048,000

*"Other Revenue" is recapitulated in detail on page 20 of this section.

EAST-WEST CENTER

A. Education, Research and Training Programs (1985 Actual, $18,999,000; 1986 Estimate, $19,449,000; 1987 Estimate, $20,834,000; Increase, $1,385,000)

Summary of Requirements

	1985 Actual		1986 Estimate		1987 Estimate		Increase or Decrease (-)	
	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds
Federal Appropriation	164.48	$14,610,000	164.40	$14,715,000	164.40	$15,483,000	--	$ 768,000
Other Operating Revenues ..	8.11	2,228,000	9.11	2,376,000	9.11	2,741,000	--	365,000
Current Restricted Revenues	10.71	2,161,000	9.71	2,358,000	9.71	2,610,000	--	252,000
Total	183.30	18,999,000	183.22	19,449,000	183.22	20,834,000	--	1,385,000

1. Environment and Policy Institute

	1985 Actual		1986 Estimate		1987 Estimate		Increase or Decrease (-)	
	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds
Federal Appropriation	26.84	$2,162,000	26.93	$2,352,000	26.93	$2,466,000	--	$114,000
Other Operating Revenues ..	0.66	334,000	0.66	378,000	0.66	429,000	--	51,000
Current Restricted Revenues	--	274,000	--	358,000	--	402,000	--	44,000
Total	27.50	2,770,000	27.59	3,088,000	27.59	3,297,000	--	209,000

How do countries, individually and collectively, manage and use the natural environment to assure its sustained productivity in meeting human and societal needs? The dependence of people on the natural environment, coupled with the realization that use for one purpose can have consequences for additional uses, presents a significant challenge to those concerned with the sustained meeting of a variety of needs. The Environment and Policy Institute (EAPI) conducts its programs in response to this challenge.

Governmental and private organizations are continuously adopting, adapting and implementing policies designed to meet a broad range of human and societal needs. To be carried out, these policies often depend to a large degree on the use of some part of the natural environment—the biophysical systems and natural resources that constitute our planet. The region contains two-thirds of the earth's population and a mix of industrialized and developing countries; thus policies are formulated that touch virtually every aspect of human and social development. Many of these policies depend or impact upon the environment in some way.

EAPI examines environmental systems and natural resources and their potential for meeting a broad range of national and international policy objectives over long periods of time. In the broadest sense, EAPI studies deal with the utilization of parts of the natural environment—land, air, fresh water and oceans, and the living and nonliving resources on and in them. A variety of policies, such as those related to economic development and energy strategies, are analyzed to illuminate their dependence and impacts on natural systems and thus on the objectives of the policies.

EAST-WEST CENTER

The institute's program approaches environment and policy issues through multidisciplinary, multinational research and education activities in five interrelated program areas. Two of these areas--Natural Systems Assessment for Development and Human Ecology--focus on developing, testing and applying concepts, tools and techniques useful in dealing with environmental aspects of sectoral policies. In the three topical program areas--Agricultural Systems, Forest Lands Policy, and Water Resources Management--these concepts, tools and techniques are applied in examining the natural environment and its relationship to specific policy issues.

Natural Systems Assessment for Development - This program builds on seven years of multinational, collaborative research in practical assessment methods and techniques that couple ecology and economics to help assure that development meets two sets of basic needs--economic growth and the sustained productivity of the environment. The two related activity areas are ecological surveys and monitoring, and economics of natural systems management.

Human Ecology - Human ecology--the scientific study of human-environment interactions--provides a comprehensive conceptual framework for understanding both how societies are shaped by environmental influences and how human activities affect the environment. The EAPI Human Ecology Program combines the research of natural and social scientists to produce a unified view of rural development problems. Work is in two related areas: human ecology for rural development and cultural influences on environmental management.

Agricultural Systems - This program reflects an increasing emphasis on relating agroecosystem and farming systems research to formulation of agricultural research and development policies. A principal aim is to identify and develop alternative strategies for agricultural research and development adaptable to specific social and ecological constraints in a particular locale.

Forest Lands Policy - This program focuses on the policy implications of biological, physical, and social consequences of forest preservation, clearance, modification, reforestation, and integration of forestry with agriculture. Study and information dissemination occur in two related areas: forest land use, which includes fuelwood production, social forestry, agroforestry, and mangrove management; and watershed forest influences, which is concerned with identifying and evaluating the effects on forest watershed of preserving, altering or clearing forest land or of reforestation.

Water Resources Management - Sustained, in-depth studies of selected water resources management problems are aimed at developing methodologies, including natural systems assessment with economic valuation, for comprehensive water resources planning. The methodologies will emphasize links among planning, implementation and institutions and the importance of meshing development, natural systems and social objectives into the management process. Upstream watershed management is the first application of this approach.

2. Population Institute

	1985 Actual		1986 Estimate		1987 Estimate		Increase or Decrease (-)	
	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds
Federal Appropriation	31.78	$2,565,000	31.78	$2,509,000	31.78	$2,681,000	--	$172,000
Other Operating Revenues ..	0.67	210,000	0.67	307,000	0.67	348,000	--	41,000
Current Restricted Revenues	6.71	814,000	6.71	901,000	6.71	952,000	--	51,000
Total	39.16	3,589,000	39.16	3,717,000	39.16	3,981,000	--	264,000

Sixty percent of all people on earth live in the region covered by East-West Center programs. Most of them, some two and a half billion persons, live in South Asia and China. China alone has nearly a fourth of the world's total population. Clearly, population change in this region has major effects on economic and social development, not only in the region itself but also in the rest of the world. Better comprehension of the causes and consequences of these population changes is necessary in order to design policies and programs to cope with massive changes that are occurring.

Although population growth rates in a number of countries in the region have begun to decline, there has been little change in the high rate of population growth in South Asia, where population is expected to grow by approximately one billion people in the next generation. In China alone, despite a dramatic decline in the birth rate over the past decade, estimates of population growth by the end of the century are in the neighborhood of 200 million--an increment that is almost as large as the total population of the United States in 1980. In many other Asian countries, where growth rates are higher, population may double within 30 years.

The Population Institute, over the past 15 years, has been developing a network of researchers, policymakers and practitioners concerned with monitoring and analyzing demographic and developmental trends in the region. Government census and statistical agencies, as the principal data collectors, play a key role in this network. Population research centers in Asian, Pacific and American universities also play an important role.

The institute's activities are not confined merely to counting population and contraceptives distributed. To design population policies and programs, it is also necessary to discover why some people have many children and what makes them decide to have fewer. The reasons are complex and are related to such factors as marriage patterns, urbanization, education, the labor value of children, religious beliefs and other cultural practices.

Urbanization is itself a major aspect of demographic transition and as such constitutes one of several related foci of interest in the institute's program. By the end of the century, it is estimated that there will be about 165 Asian cities with populations over one million, more than double the number of such cities today. Planning for this unprecedented movement of people is a critical task for governments and requires much information generated by research. Urbanization and the economic transformation that accompanies it in turn have profound implications for the kind of human resources that are required in the emerging industrial economies of the region.

EAST-WEST CENTER

The Pacific Basin countries have seen more expanding and dynamic economic development in recent years compared with the Atlantic community. We need to know how patterns of demographic transition and changes in human resources, such as education and special skills, have contributed to this development, and vice versa.

To further collaborative research and dissemination of knowledge, the institute also conducts an active program of conferences, workshops, fellowships, internships and degree study. At the policy level, for example, we have series of parliamentarian seminars on population and related concerns to promote interest in and better understanding of these issues among policymakers. Overlapping these activities are four major program areas, described below, within which the various research and training activities of the institute are coordinated.

Demographic Trends and Estimation - In most of the less-developed countries of the East-West Center region, it is nearly impossible to obtain complete and accurate demographic statistics. In this program, emphasis is on development and refinement of techniques for estimating births and deaths from censuses, surveys and registrations. Data analysis to determine the levels and trends of population change can only proceed from there. Over the years we have developed an extensive network of collaborators in national census and statistics offices allowing us access to their material. This has facilitated an excellent climate, based on mutual trust and resulting in numerous important accomplishments. No other US institution has a comparable network to rely on in the area of preparation and data collection, and demographic research and training in Asia and the Pacific.

Fertility and The Family in Transition - Efforts are continuing to determine underlying causes of fertility change and behavior. Religious and cultural factors play important roles in whether or not couples use birth control, and economic factors are different in rural and urban areas. When do people marry and have children? How do they space these children? Why do some family planning programs work while others do not? We also need to understand the consequences of population change upon the society. For example, birth rates have finally begun to decline in some countries and this is creating changes in family structure. We are studying these changes with regard to their implications for life in the region.

Economic Development and Human Resources - We are looking here at the size and quality of the population, especially the work force, to see how they are related to economic and industrial development. To what degree are the skills and education of the populace responsible for the region's growing prosperity? How does aging of the population affect a country's economy and what are the implications for other countries in the region? The majority of people still live in rural areas, but rapid population growth has had its effect on landlessness, the environment and the birth rates. By judging the interrelationship between demographic changes and technology, resources, environment and social institutions, we can assess the effectiveness of rural development policies. We also need to know the health status of people in the region, how the status of women is changing, how the human resources that do exist can be employed more effectively, how much housing will be needed and where and how changes in the age structure will affect the industrialized economies.

Urbanization, Migration and Development - Massive transfers of people from rural and urban areas are underway. In Asia this trend may accelerate in many countries. Just how fast are the cities growing? What are the economic, social and political consequences of this huge shift of population? What can we learn from our past experiences that will help us handle this? We must understand the factors that impel people to move and the consequences of the move for the community, the family and the individual migrant. An understanding of the underlying causes and effects is necessary in order to design policies to redirect migration flows where called for (e.g., from large to small cities). The outward migration of people to other countries is also of concern. The United States remains the world's foremost recipient of immigrants, and Asians are now the largest and fastest-growing segment of legal immigrants. This is a topic of particular research and policy interest.

Summer Seminar and Special Projects - Two projects that cut across all institute program areas are the annual month-long summer seminar begun in 1970, and a parliamentarians seminar for legislators in the ASEAN region. Both seminars involve close cooperation from agencies in the region, as they often host the meeting and provide extensive outside funding. Other special research projects explore new areas in development related subjects.

3. Resource Systems Institute

	1985 Actual		1986 Estimate		1987 Estimate		Increase or Decrease (-)	
	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds
Federal Appropriation	33.27	$3,147,000	32.94	$3,088,000	32.94	$3,262,000	--	$174,000
Other Operating Revenues ..	0.53	487,000	0.53	532,000	0.53	609,000	--	77,000
Current Restricted Revenues	1.00	302,000	1.00	402,000	1.00	450,000	--	48,000
Total	34.80	3,936,000	34.47	4,022,000	34.47	4,321,000	--	299,000

The Resource Systems Institute (RSI) focuses on issues of socio-economic development in the Asia/Pacific region, with special emphasis on issues of renewable and non-renewable resources and their relationships with the international economy. Research, graduate study, and professional training are the three components of the Institute's program.

Research undertaken in RSI explores the feasibility, advantages, and costs of exploration and utilization of resources and addresses the overall question of how nations can maintain adequate, fair, and reliable access to resources as a basis for sustained development and international cooperation.

Of central interest to the institute is the interdisciplinary investigation of the development process, including energy and mineral resource management, agricultural and rural development, trade and finance, as well as regional and international cooperation. International experts are invited to the institute for varying periods of time to work with staff and students in these areas and in formulating approaches to national development and cooperation among nations.

Energy Program - The Energy Program, which has done outstanding pioneering work in the petroleum sector, is allocating staff and resources to the nuclear and coal sectors, thus bringing together the major elements in energy production. The various studies of the Energy Program are aimed at examining local, national and international energy systems as well as interactions of energy with overall national economic development plans. The potential for international cooperation in energy resources development is also brought into the program's studies. Primary emphasis continues to be on energy policy analysis. More specifically, research is to be undertaken on petroleum and energy policy in China and Indonesia, analysis of energy policy for the Philippines and Japan, and studies for nuclear power for Korea, China, and Taiwan. Study results will be disseminated for consideration by governments of these countries to assist in formulating appropriate energy development strategies.

Minerals Policy - The primary objective of the Minerals Policy program is to assess policy and strategy options that promote more effective management and use of mineral resources to achieve development goals. The lack of an understanding of both the technical and economic aspects of mineral resources in the national and international setting has resulted in ineffective minerals policy in a number of countries in the region. This is particularly evident with respect to attracting appropriate levels of foreign investment and estimating the benefits and costs of such investments. Areas of research interest are mineral resource assessment for national and regional planning, strategic minerals analysis of the Pacific region with emphasis on international policy implications, and comparative economic studies of mining and processing of mineral resources.

International and Development Studies - The International and Development Studies program is the newest of the institute's three programs and was initiated with the undertaking of a study on issues in Asian economic development.

The program explores major economic and political issues in the high-growth Asian region through studies on international trade and investment as well as through an examination of change and development in rural Asia. The effectiveness of development policies is analyzed in the agriculture, financial and industrial sectors, and marine resources is examined as a sector of growing economic importance to the region's nations. A number of workshops and conferences are planned to establish a dialogue among researchers and practitioners in the public and private sector. Reports prepared for these meetings and discussions at these proceedings will be the basis for a number of monographs and policy papers. Major research themes will include: (1) Investment in ASEAN countries. This work will improve our understanding of the role of foreign direct investment by US firms in the national development of ASEAN member nations. The policy issues and investment climate in selected countries will be analyzed as well. (2) International trade in service sector. This is an area where little work has been done to date but with great interest to the US and its major Asian trading partners. (3) Comparative South Asian economic studies. This study examines the opening of wider trade and investment ties of South Asian nations with other countries in the Asia/Pacific region. This project places emphasis on bringing greater South Asian participation in policy dialogues within the Asia/Pacific region. (4) Rural transformation, and (5) Assessment of marine resources of ASEAN countries.

4. Institute of Culture and Communication

	1985 Actual		1986 Estimate		1987 Estimate		Increase or Decrease (-)	
	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds
Federal Appropriation	40.25	$3,520,000	39.25	$3,526,000	39.25	$3,697,000	--	$171,000
Other Operating Revenues ..	0.75	329,000	0.75	403,000	0.75	458,000	--	55,000
Current Restricted Revenues	--	214,000	--	278,000	--	336,000	--	58,000
Total	41.00	4,063,000	40.00	4,207,000	40.00	4,491,000	--	284,000

EAST-WEST CENTER

The Institute of Culture and Communication, begun in January of 1984, represents the fusion of two formerly separate units within the East-West Center, the Culture Learning Institute and the Communication Institute. An integration of certain existing programs and some new program direction has led to the coalescense of groups according to five themes: arts; development communications; humanities; media and international relations; and social relations. Research associates contribute to the work of one or more groups and projects are undertaken as they conform with the expertise and emphasis of the groups. Considerable effort has been made to insure that the line of demarcation which existed between the two previous institutes is erased and that the experience of all colleagues is forged in support of a single institute direction.

The institute aims to serve a variety of discrete audiences, both scholarly and non-academic, within the Center's mandated region as well as within the Center itself. Performances, films, exhibits and activities showcasing artists and writers contribute visibly to the concept of the Center as a site for cultural interchange. Also, with its work on contemporary literature of the East and West and its heightened emphasis on the arts, the institute engages scholars, artists and policymakers from the greatest possible number of countries within the Center's focus--the arts and literature being among those special fields in which every nation competes on a rather even footing.

Building on the strengths of its research associates and educational specialists, the institute focuses on those issues relating to culture and communication which are important and contemporary and which can be pursued uniquely well at the East-West Center, given both its resources and its constraints. Studies on information flow, on development communications and social relations as well as cultural performances and workshops for practicing journalists will be continued and set in bolder relief. Greater concentration on the arts and the humanities, enriched by sturdy scholarship and cross-cultural activities, reinforce and enhance current programs.

Products will be tangible and intangible: books, journal articles, monographs, essays, poems, training workshop graduates, works of art, perhaps even films along with greater sensitivity and collegiality among Center participants and staff and increased curiosity about the people and cultures of East and West. The effectiveness of some institute results will be measurable while others may prove less conducive to quantitative evaluation. How much credit, for example, can the institute take for a Jefferson Fellow who returns home and writes articles which are better informed and more sensitive to conditions East and West than those he wrote before participating in the program?

The work of the institute is varied with programs ranging from highly technical quantitative research to artistic performance. The disciplines of the staff and participants are a mosaic of social psychology, linguistics, mass communications, sociology, religion, history, anthropology and ethnomusicology. Taken as a whole, the institute provides that rich integrated fabric against which its many projects and those of the Center can be displayed comprehensively.

The Arts - The arts are a visible universal phenomenon which contribute to an understanding and appreciation of tradition and diversity. The arts program seeks to increase intercultural understanding through the presentation of American, Asian and Pacific works in a manner conducive to their appreciation by both scholars and the general public. The program encompasses creative works with their creators, along with all that is necessary for their understanding. In addition to an artists-in-residence program, individual projects focus on learning about culture through film, the performing arts, and the visual arts.

Development Communications - Asia/Pacific countries face two common problems: How they can accelerate the process of development and how they can minimize the negative impact of such development on their indigenous cultures. This program area undertakes research on five specific issues regarding the roles of communication technologies in development and processes of social and cultural change. The results will promote effective use of communication in support of development programs in the Asia/Pacific region, and help formulate policy guidelines to maximize investment benefits and minimize the adverse impact of social and cultural change in the course of development. The five issues are: (1) communication in support of development; (2) rural-urban communication; (3) the impact of communication technologies; (4) the information sector of the economy; and (5) the dynamics of cultural change in development.

Work will concentrate on cooperative research with governmental and academic institutions in Asia, the Pacific, and the US, and will generate research findings for use in decision making on rural development programs, telecommunications planning and investment priorities, and social and economic policies related to development.

Humanities - The humanities group explores how best to make use of the humanities, most prominently creative literature, to understand the momentous social changes taking place in the region. There are three components of the humanities program: a lecture series; a writers-in-residence activity; and a major literature project.

The lecture series, known as the humanities forum, presents both visiting and resident humanists on a biweekly basis. The subject matter of the forum encompasses all aspects of the humanities from language to philosophy.

The writers-in-residence activity features two writers, one from the East and one from the West. The writers speak on their work as well as on their view of the writer within the context of his society and his culture. They also interact with scholars engaged in various analyses of contemporary literature for the purpose of reaching a better understanding of modern society.

The principal thrust of the humanities program will be a literature project, comprising several levels of analysis including the linguistic, the socio-cultural and the literary. The study of how writers further modernization through the creative use of language is one area of research as is the role of literature in forming the norms of language merit analysis.

The literature project is concerned with both "high" literature and "popular" literature. The way in which both these types of literatures reflect changes in society, family structures, individual life styles and how they, in turn, influence social change will be examined on a collaborative research basis.

Media and International Relations - Mass media play a vital role as the principal source of information on developments which contribute to understanding and misunderstanding among the diverse nations of the region. This program area seeks to improve the professional skills of journalists and other media professionals by increasing their knowledge of major current issues in the

Pacific Basin and by providing the opportunity for professional exchange with counterparts from the region. Complementary research analyzes the content and quality of mass media coverage of different nations and studies developments in media operations in the region.

The program includes the Jefferson Fellowships--the Center's longest-running program, which has brought to the Center over 100 mid-career journalists for study and professional exchange--and similar opportunities for senior editors and media professionals engaged in shorter, more intensive conference settings.

The research program, which centers on analysis of information flow and image formation in mass media in the region, gains further significance by complementing the program's activities in media professional development. The results of the research highlight the areas of deficiency and strength in media development in the region, which the program's other activities can effectively address. Major efforts at media professionals' involvement in the research and subsequent dissemination of research results increase the value of the program's research component.

Social Relations - The quality and stability of life in Asian and Pacific countries, and the directions of change, are affected significantly by the nature of social relations. Research and training projects in the social relations program address practical issues arising from cross-cultural relations and associated changes. In three interrelated projects, the group studies social relations across cultural groups within national boundaries, documents recollections of Pacific Islanders about encounters with Americans and Japanese during World War II, and studies cross-cultural research methods and offers training on intercultural relations.

5. Pacific Islands Development Program

	1985 Actual		1986 Estimate		1987 Estimate		Increase or Decrease (-)	
	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds
Federal Appropriation	7.34	$ 583,000	8.50	$ 677,000	8.50	$ 680,000	--	$ 3,000
Other Operating Revenues ..	0.50	90,000	0.50	75,000	0.50	84,000	--	9,000
Current Restricted Revenues	3.00	545,000	2.00	404,000	2.00	450,000	--	46,000
Total	10.84	1,218,000	11.00	1,156,000	11.00	1,214,000	--	58,000

The purpose of the Pacific Islands Development Program (PIDP) is to help meet the special development needs of the Pacific Islands region through cooperative research, education and training. PIDP also serves as the Secretariat for the Pacific Islands Conference, a heads of government meeting involving leaders from throughout the Pacific region, and for the Pacific Islands Conference Standing Committee which was established to ensure follow-up on development problems discussed at the conference.

PIDP's research, education and training activities are developed as a direct response to requests from the Standing Committee. PIDP's projects are planned in close cooperation with the committee to ensure that the focus and organization of each project address the needs identified by the heads of government on the committee, a process which is unique within the East-West Center and in other research and educational organizations serving the Pacific.

PIDP draws together academic resources from throughout the East-West Center, from regional and international organizations and from Pacific governments to plan and conduct projects requested by the Standing Committee. The program also has close institutional ties with the South Pacific Bureau for Economic Cooperation, the South Pacific Commission, the University of the South Pacific, the University of Papua New Guinea, the University of Guam, the Papua New Guinea University of Technology, the University of Hawaii and other regional and international organizations.

PIDP's research projects are also planned and organized to ensure that the results are immediately translated into policy advice and training. In addition, each project attempts to build the research and training capability of people from the Pacific region through counterparts and the recruitment of research and training staff from the countries and territories of the Pacific.

Secretariat and PIDP Staff and Support - In March of 1980, the Eart-West Center sponsored a conference entitled "Development the Pacific Way." Leaders from the Pacific region were invited by the Center to participate in the conference and to discuss development needs. At this conference, a standing committee of six island government heads was established to guide follow-up activities recommended by the conference, to provide policy advice and guidance on development issues to the Center's PIDP, and to provide the initiative for raising funds to administer research and training in the recommended project areas. The conference expressed the need for establishment of a small secretariat to maintain communication among conference members, to make periodic progress reports, and to plan for meetings of the Standing Committee and the conference as a whole. The EWC agreed to this request and will continue to provide an interim secretariat within PIDP until the conference is able to determine fully the future role of the Secretariat. It was also agreed that the provision of these services was contingent upon the Standing Committee's assistance in generating funds to supplement the Center's own resources.

Pacific Energy - The Pacific Island Energy Studies (PIES) project is a multifaceted research effort designed with two institutional objectives:

- to conduct policy research on common problems which occur throughout the Pacific Island region (e.g., oil security, rural electrification, energy efficient architecture, etc) and
- to undertake training programs and prepare resource materials designed to strengthen local capacity in the energy area.

The PIES project undertakes work at the expressed direction of the PIDP Standing Committee Study. The results and training are directed at national mid-level, public servants in energy and developmental planning positions.

Disaster Preparedness Project - The purposes of the Disaster Preparedness Project are to:

1. Establish disaster preparedness and management capabilities in the organizations which serve the region;

2. Establish

    a. the general capability of national governments to prepare for and to manage the full range of natural disasters;

    b. the specific capability of national governments to deal with particular disaster management problems; and

    c. the capability of providing leadership and technical assistance on specific aspects of disaster to countries in the region;

3. Develop a framework for regional cooperation and the sharing of expertise in disaster preparedness.

Multinational Corporations - PIDP's Multinational Corporations focuses on problems island governments generally face in dealing with Multinational Corporations (MNCs) and specific benefits that can be gained from MNC involvements in specific sectors.

This project was initiated at the request of the Pacific Islands Conference Standing Committee at the inaugural meeting in Pago Pago, American Samoa, April 21, 1981. Aware of the potentially powerful role that multinationals can play in the economic life of the region, the Standing Committee saw the need for a "...better understanding of the role of MNCs in the Pacific Islands, in terms of their objectives, organization and know-how, as well as their role in development," including cultural aspects. Such an understanding of MNCs was regarded as a prerequisite for the development of joint or cooperative efforts between government and MNCs of benefit to each.

The committee resolved that a study of MNCs and their role should be made with an emphasis on how MNCs succeed, why they succeed and in what areas. The proposed study should also focus on alternative approaches for government--MNC dialogue capable of fostering stable and equitable relationships. As an initial step, the committee requested that the role and operations of MNCs in the region's tuna industry be reviewed and assessed.

Government Systems - The basic question addressed by this project is how modern systems of government and administration in the Pacific Islands can be made more appropriate and more efficient in meeting the fundamental goals and objectives of the peoples of the island states, given the indigenous political systems specific to each. In view of the diversity of the island countries, there is no single, simple answer. The object of the project is not to make recommendations or advocate solutions but rather to identify options and provide information that will be of assistance to these nations in deciding what forms of government and administration are most appropriate and efficient. The overall research objective of the project is to work with national governments to examine government systems from the perspective of indigenous patterns of governance and social structure. In each case study, research will address the dynamics of interactions between imported and indigenous systems rather than the comparison of static structures.

This project will provide policy and technical assistance on how individual governments can restructure their government systems to make them more appropriate to local cultural, social and economic needs. The project will assist, based on requests from national governments, with a review of current national and local political systems to identify options for changes in government systems.

Indigenous Business Development - The purpose of this project is to investigate key areas of indigenous business in at least eight Pacific Island countries and territories to establish: (a) social and economic factors contributing to success or failure of indigenous entrepreneurs; (b) major problems of business operation; (c) alternative approaches to business development; (d) adequacy of government support programs; and (e) policy recommendations for fostering future development.

Current development policies enunciated by regional governments and administrations invariably give a high priority to indigenous business development. It is seen as a means of accelerating private sector development--and thereby economic growth--and of ensuring that indigenous groups participate actively and meaningfully in the development process.

Faculty Development - The Faculty Development Program for Tertiary Institutions in the South Pacific provides opportunities for staff of the University of the South Pacific (USP), the Papua New Guinea University of Technology (UNITEC), and the University of Papua New Guinea (UPNG) to gain research and practical experience in their professional fields. Faculty and staff from the three regional universities spend from two to twelve months at the East-West Center engaged in Center research projects, seminars, university (non-degree) course work and/or activities from which they can gain practical experience relevant to the professional careers in their home institutions. In addition participants take part in PIDP activities as well as intercultural programs at the Center.

The Faculty Development Program for Tertiary Institutions in the South Pacific complements the East-West Center degree student program and other Center training and educational exchange activities. It is specifically intended for the professional development of university faculty and provides an academic setting in which there is the greatest concentration of expertise and research activity focused on the Pacific region in the United States.

6. Centerwide Programs

	1985 Actual		1986 Estimate		1987 Estimate		Increase or Decrease (-)	
	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds
Federal Appropriation	--	$13,000	--	$16,000	--	$17,000	--	$1,000
Other Operating Revenues ..	--	80,000	--	55,000	--	61,000	--	6,000
Total	--	93,000	--	71,000	--	78,000	--	7,000

The Diplomats-in-Residence Program enables senior and mid-career foreign service officials from Asian/Pacific nations and the US to participate in EWC activities during stays of three to twelve months while pursuing their own professional interests. This extensively cost shared project is designed both to enhance the professional development of foreign service personnel and to provide opportunities for informal and unofficial exchanges of views with EWC staff and participants.

Mr. **Smith**. We are pleased to have with us today the Director of USIA, Charles Wick. You may proceed.

General Statement

Mr. **Wick**. Thank you, Mr. Chairman. Mr. Chairman, Members of the subcommittee, I am pleased to appear before you this morning and present the U.S. Information Agency's appropriation request for fiscal 1987. In the interest of time I will deliver brief remarks and then show a videotape which will present the balance of my case. I will submit my full statement for the record.

While our budget request represents an increase over 1986 levels, we are fully aware of the responsibility and difficulty that attend such a request in the current budget climate. The President has approved this request because he understands that the United States is facing one of the most sophisticated and determined efforts ever by the Soviet Union to influence public opinion around the world.

Under new leadership, the Soviet Union is making a concerted effort to engage the Western World—especially the United States—in a Western-style public relations campaign. Only last week, for example, the Soviets purchased two full pages in The Washington Post and The New York Times—probably you have seen them—and one full page each in the Los Angeles Times and U.S.A. Today. Among other things presented were their program for "total abolition of nuclear weapons in the world." Needless to say, we are denied any opportunity to purchase space in their media.

The central element in the Soviet's campaign is to weaken the relationship between us and our allies. But the Soviets have many other equally ambitious goals: To divert public attention away from human rights abuses in their own country, to camouflage their widespread atrocities in Afghanistan, and adventurism in Ethiopia, Angola, Cuba and Nicaragua, to conceal their own research, testing and deployment of space-based defense capabilities while attacking our SDI, to portray the United States as a bellicose nation likely to drive the world to the brink of war.

In undertaking this public diplomacy blitz, the Soviets think it will benefit them. And they think they will win.

No precise figures are available for the level of resources the Soviets are committing to this undertaking. Based on the best and most recent data available, however, it is estimated that the Soviet Union outspends us by at least two to one in international information activities. They employ an estimated seven times as many people as we do in their efforts.

In comparison with the Soviets, USIA's budget is small, and we are mindful of the fiscal restraint under which Congress must operate this year. In the peak year of 1967, USIA had over 12,000 employees worldwide; as proposed in fiscal year 1987, we will have over 9,600, but this represents a decrease of 23 percent. In constant dollars our requested operating budget will still be 2 percent below the 1967 level. Yet the output and reach of the agency has grown enormously since 1967—especially in the past 5 years.

Thus I urge you to consider our budget in light of these facts as you weigh the strategic role of the U.S. Information Agency, which is on the frontline for America in the war of ideas with the Soviet

Union. In a column last year, James Reston of The New York Times said of the war of ideas, "Fortunately it's the main war we have these days, and deserves more attention than it's getting."

If the Soviet's new public relations offensive is successful, it will carry with it formidable consequences for U.S. foreign policy. Soviet propaganda, at work amidst the conflicts occurring around the globe, may have a fundamental and irrevocable effect on our national security, if we do not have the means to counter it.

Mr. Chairman, now, more than ever before, the resources of the U.S. Information Agency are needed. If you agree that USIA plays a central role in America's security, then we must not retreat—either from our vital traditional commitment to tell America's story abroad or from meeting this new Soviet offensive. The U.S. Information Agency is the U.S. Government's principal resource in the international arena of ideas and plays a central role in America's security.

Our proposed budget for fiscal year 1987 totals $959.2 million, an increase of $104.5 million over our fiscal 1986 budget, as adjusted by Gramm-Rudman-Hollings. Of the requested increase—$93.8 million—or 90 percent is required to maintain ongoing activities.

During this period of catch-up—after decades of neglect—USIA's communications capabilities will finally be brought in line with state-of-the-art 20th century technology, adding immediacy and enhanced impact to our overall public diplomacy strategy.

About one-third of our requested increase, or $35.6 million, would be used to continue the modernization of the Voice of America that was begun in 1983. To stretch the reach of the Voice we are replacing aging relay stations with new ones and asking for $22.6 million in increased radio construction funds for this purpose. In addition, $13 million is requested to finance the staffing and operational costs at levels approved by Congress in fiscal year 1986 to continue the congressionally mandated process through 1990.

In support of this modernization project, over the last 2½ years VOA has successfully concluded agreements for short-wave relay stations in Thailand, Morocco, Botswana, and Sri Lanka. Groundwork is underway at each of those stations with the detailed design work to begin this year. Additional agreements are near for stations in Israel, Germany, Puerto Rico and the Far East. New medium-wave stations have been built in Costa Rica and Belize with negotiations underway for stations in St. Vincent and Antigua and one Central American country.

To build on the success of our daily WORLDNET satellite television service to Europe, we plan to extend the WORLDNET network to Latin America and East Asia and the Pacific in late 1986. We are seeking $3.6 million in 1987 to maintain these and other television programs. The use of television in support of our public diplomacy effort has been so effective in explaining our foreign policy, we consider it imperative that this level of effectiveness is maintained.

In the relatively short time WORLDNET has existed, it has produced a profound effect. A survey of our posts indicates that overall media placement overseas has increased as much as 500 percent since WORLDNET's early programs. It is an extraordinarily valuable international communications tool in advancing America's interests, creating understanding of our policies and contributing to the free exchange of information among nations. WORLDNET should not lose momentum in its support of America's public diplomacy efforts.

We are requesting an increase of $32.1 million to maintain and expand our traditional exchange of persons programs, most notably the Fulbright Scholarships, the Humphrey Fellowships and the International Visitors Program.

Some $22.7 million is required to sustain the 1986 program level and $9.4 million is requested to increase exchanges with South Africa and with the Soviet Union, to celebrate the Bicentennial of the Constitution and other programs.

We are requesting funds to achieve the mandated doubling of the 1982 level of selected exchanges. We are also requesting funds to enhance the National Endowment for Democracy.

USIA had also submitted a supplemental request which has been turned down by the full committee. We hope that you will consider appropriating a portion of this $17.3 million request for RIAS-TV and the U.S.-Soviet Cultural Exchange accord, signed at the Geneva Summit last November.

I would note that while our budget request is in response to a major Soviet challenge it also addresses a unique opportunity to form an environment of trust and dialogue with the Soviets.

When President Reagan met Soviet General Secretary Gorbachev in Geneva last fall, the two leaders initiated a new general exchanges accord between our two countries after a 6-year hiatus.

Mr. Chairman, the United States Information Agency is prepared to capitalize on this opportunity. That is why we are seeking $5.3 million in fiscal year 1986 supplemental funds to implement the cultural accords signed in Geneva.

The situation in which the United States now finds itself has some historic parallels to the one faced by President Eisenhower and Soviet Premier Nikolai Bulganin when they met in Geneva in 1955.

Mr. Eisenhower spoke of a "simple purpose . . . to find a basis for accommodation which will make life safer and happier not only for the nations we represent but for people elsewhere," and to seek "a path to peace." With your help, we hope to resume that important "path to peace."

Thank you for your time; I would be happy to take questions following a videotape which is part of my statement.

[The prepared statement of Mr. Wick follows:]

7. Student Affairs and Open Grants

	1985 Actual		1986 Estimate		1987 Estimate		Increase or Decrease (-)	
	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds
Federal Appropriation	21.00	$2,100,000	21.00	$2,065,000	21.00	$2,100,000	--	$35,000
Other Operating Revenues ..	--	92,000	--	122,000	--	138,000	--	16,000
Current Restricted Revenues	--	12,000	--	15,000	--	20,000	--	5,000
Total	21.00	2,204,000	21.00	2,202,000	21.00	2,258,000	--	56,000

The Office of Student Affairs and Open Grants (SAOG) was established to improve the quality of life and work at the Center for all participants. SAOG includes the centerwide participant support offices (Awards, Participant Services and Alumni Services), as well as the Open Grants program for fellows and students. The Open Grants program provides degree scholarships to outstanding students whose interest and experience do not fall within the purview of the institute programs. It permits the Center to invite graduate students from geographical areas and disciplines not otherwise represented in the Center. Students participate in a variety of activities that are intended to complement their academic work and bolster their professional interests. The office also administers the system of program representation through which information about the Center is disseminated, student competition facilitated and liaison with Asian and Pacific governments maintained.

8. Auxiliary Services

	1985 Actual		1986 Estimate		1987 Estimate		Increase or Decrease (-)	
	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds
Federal Appropriation	4.00	$ 520,000	4.00	$482,000	4.00	$ 580,000	--	$ 98,000
Other Operating Revenues ..	5.00	606,000	6.00	504,000	6.00	614,000	--	110,000
Total	9.00	1,126,000	10.00	986,000	10.00	1,194,000	--	208,000

This category reflects the cost of providing needed services to the EWC community including on-campus housing for participants, vehicles, conference and food services and printing and reproduction services.

B. Program Direction, Administration and Institute Support (1985 Actual, $4,948,000; 1986 Estimate, $6,311,000; 1987 Estimate, $5,082,000; Decrease, $1,229,000)

	1985 Actual		1986 Estimate		1987 Estimate		Increase or Decrease (-)	
	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds	Staff-Years	Funds
Federal Appropriation	68.31	$4,390,000	69.31	$6,035,000	69.31	$4,805,000	—	$-1,230,000
Other Operating Revenues ..	3.69	545,000	3.69	269,000	3.69	270,000	--	1,000
Current Restricted Revenues	--	13,000	--	7,000	--	7,000	--	0
Total	72.00	4,948,000	73.00	6,311,000	73.00	5,082,000	--	-1,229,000

Under this heading are grouped the activities and functions of the Board of Governors; the International Advisory Panel which provides external evaluation of Center programs; the Office of the President and Vice President which provides the overall planning, coordination, and direction of the Center's programs including fund raising; public affairs; and the Office of Administration which provides personnel, fiscal, budget, computer systems, facilities management and logistical services for the Center. The primary focus in this area is to increase productivity through streamlined organization and staffing, staff development, computerization and increasing housing and other revenues. Support services will be strengthened and improved.

New systems will be developed and implemented to accomplish this task. Involvement from all organizational units within the East-West Center will be required to adapt to a new environment where transactions can be entered and controlled directly by sub-organizational units.

In tests conducted by the University of Hawaii, asbestos was found in the sprayed-on ceiling surfaces of the Center's residence halls. In order to minimize risks to the residents' health and safety, the Center plans to spend $1.4 million in 1986 to have the asbestos removed.

EAST-WEST CENTER

Summary of Budgeted Expenditures by Program Category
(in thousands)

C. Total Program and Resources

	1985 Actual					1986 Estimate				
	Perm Staff	Cngrssnl Approp	OtherFunds/Contract General	OtherFunds/Contract Restricted	Total	Perm Staff	Cngrssnl Approp	OtherFunds/Contract General	OtherFunds/Contract Restricted	Total
Education Research and Training Program										
Environment & Policy Inst	27.50	$ 2,162	$ 334	$ 274	$ 2,770	27.59	$ 2,352	$ 378	$ 358	$ 3,088
Population Institute	39.16	2,565	210	814	3,589	39.16	2,509	307	901	3,717
Resource Systems Inst ...	34.80	3,147	487	302	3,936	34.47	3,088	532	402	4,022
Inst of Culture & Commun.	41.00	3,520	329	214	4,063	40.00	3,526	403	278	4,207
Pacific Islands Dvlpt Pgm	10.84	583	90	545	1,218	11.00	677	75	404	1,156
Centerwide Programs	—	13	80	—	93	—	16	55	—	71
Student Affrs/Open Grants	21.00	2,100	92	12	2,204	21.00	2,065	122	15	2,202
Auxiliary Services	9.00	520	606	—	1,126	10.00	482	504	—	986
Subtotal	183.30	14,610	2,228	2,161	18,999	183.22	14,715	2,376	2,358	19,449
Program Direction, Administration & Institute Support										
Board of Governors & Intern'l Advisory Panel	0.50	104	64	—	168	0.50	127	69	—	196
President	10.50	557	46	1	604	10.50	671	45	—	716
Public Affairs	11.00	625	17	—	642	12.00	656	6	—	662
Office of Admin	2.00	139	—	—	139	2.00	166	—	—	166
Financial & Admin Serv.	21.00	696	62	—	758	21.00	704	62	—	766
Mgt & Computer Services	14.00	797	286	—	1,083	14.00	838	62	—	900
Personnel	5.00	173	—	—	173	5.00	186	—	—	186
Logistics	4.00	185	—	12	197	4.00	185	—	7	192
Facilities Management .	4.00	1,114	70	—	1,184	4.00	1,102	25	—	1,127
Res Hall Asbestos Remov	—	—	—	—	—	—	1,400	—	—	1,400
Subtotal	72.00	4,390	545	13	4,948	73.00	6,035	269	7	6,311
Total, Budgeted Expenditures	255.30	19,000	2,773	2,174	23,947	256.22	20,750	2,645	2,365	25,760
Pro-rata Reduction (P.L. 99-177)..........	XXX	XXX	XXX	XXX	XXX	—	-892	—	—	-892
Revised, Budgeted Expenditures..	XXX	XXX	XXX	XXX	XXX	256.22	19,858	2,645	2,365	24,868

EAST-WEST CENTER

Summary of Budgeted Expenditures by Program Category
(in thousands)

	1987 Estimate					Increase or Decrease (-)				
			OtherFunds/Contract					OtherFunds/Contract		
	Perm Staff	Cngrssnl Approp	General	Restricted	Total	Perm Staff	Cngrssnl Approp	General	Restricted	Total
Education Research and Training Program										
Environment & Policy Inst	27.59	$ 2,466	$ 429	$ 402	$ 3,297	--	$ 114	$ 51	$ 44	$ 209
Population Institute	39.16	2,681	348	952	3,981	--	172	41	51	264
Resource Systems Inst ...	34.47	3,262	609	450	4,321	--	174	77	48	299
Inst of Culture & Commun.	40.00	3,697	458	336	4,491	--	171	55	58	284
Pacific Islands Dvlpt Pgm	11.00	680	84	450	1,214	--	3	9	46	58
Centerwide Programs	--	17	61	--	78	--	1	6	--	7
Student Affrs/Open Grants	21.00	2,100	138	20	2,258	--	35	16	5	56
Auxiliary Services	10.00	580	614	--	1,194	--	98	110	--	208
Subtotal	183.22	15,483	2,741	2,610	20,834	--	768	365	252	1,385
Program Direction, Administration & Institute Support										
Board of Governors & Intern'l Advisory Panel	0.50	133	72	--	205	--	6	3	--	9
President	10.50	699	52	--	751	--	28	7	--	35
Public Affairs	12.00	687	6	--	693	--	31	--	--	31
Office of Admin	2.00	174	--	--	174	--	8	--	--	8
Financial & Admin Serv.	21.00	738	70	--	808	--	34	8	--	42
Mgt & Computer Services	14.00	880	70	--	950	--	42	8	--	50
Personnel	5.00	195	--	--	195	--	9	--	--	9
Logistics	4.00	193	--	7	200	--	8	--	--	8
Facilities Management .	4.00	1,106	--	--	1,106	--	4	-25	--	-21
Res Hall Asbestos Remov	--	--	--	--	--	--	-1,400	--	--	-1,400
Subtotal	73.00	4,805	270	7	5,082	--	-1,230	1	--	-1,229
Total, Budgeted Expenditures	256.22	20,288	3,011	2,617	25,916	--	-462	366	252	156
Pro-rata Reduction Pursuant to P.L. 99-177.....	--	--	--	--	--	--	892	--	--	892
Revised, Budgeted Expenditures.......	256.22	20,288	3,011	2,617	25,916	--	430	366	252	1,048

EAST-WEST CENTER

Recapitulation of Total Budget Resources
(in thousands)

	1985 Actual	1986 Estimate	1987 Estimate	Increase or Decrease (-)
Federal Appropriation:				
As Enacted and Estimated	$19,000	$20,750	$20,288	$-462
Pro-rata Reduction Pursuant to P.L. 99-177	--	-892	--	892
Revised and Estimated Appropriations	19,000	19,858	20,288	430
Other Revenue:				
Other General Operating Revenues:				
Contributions				
Cash	234	300	350	50
Cost Sharing	191	215	235	20
Donated Services	1,420	1,256	1,389	133
Subtotal Contributions	1,845	1,771	1,974	203
Recovery of Indirect Costs	370	355	393	38
Auxiliary Enterprises	384	334	444	110
Other	174	185	200	15
Total, Other General Operating Revenues	2,773	2,645	3,011	366
Current Restricted Revenues:				
Contracts & Grants				
Federal	1,100	1,150	1,210	60
Other	790	890	1,032	142
Contributions	284	325	375	50
Total, Current Restricted Revenues	2,174	2,365	2,617	252
Total, Other Revenue	4,947	5,010	5,628	618
Total, Budget Resources	23,947	24,868	25,916	1,048

LONG VERSION

Statement of
Charles Z. Wick
Director, U.S. Information Agency
Before the
House Subcommittee on Commerce, Justice, State,
the Judiciary and Related Agencies
Committee on Appropriations
House of Representatives
March 25, 1986

Mr. Chairman, Members of the Subcommittee:

I am pleased to appear before you this morning and present the U.S. Information Agency's appropriation request for fiscal 1987.

Our budget request represents an increase over 1986 levels. We are fully aware of the responsibility and difficulty that attend such a request in the current budget climate. The President has approved this estimate because he understands that the United States is facing one of the most sophisticated and determined efforts ever by the Soviet Union to influence public opinion around the world.

Under new leadership, the Soviet Union is making a concerted effort to engage the Western world -- especially the United States -- in a Western-style public relations campaign. Only last week, for example, the Soviets purchased two full page ads in The Washington Post and The New York Times and a one-page ad in the Los Angeles Times presenting, among other things, their program for "Total Abolition of Nuclear Weapons in the World." Needless to say, we are denied any opportunity to purchase space in Pravda.

The central element in the Soviets' campaign is to weaken the relationship between us and our allies. But the Soviets have many other equally ambitious goals: to divert public attention away from human rights abuses in their own country; to camouflage their adventurism in Afghanistan, Angola, Nicaragua and elsewhere; to conceal their own development of space-based defense capabilities while attacking ours; to portray the United States as a bellicose nation likely to drive the world to the brink of war.

In undertaking this public diplomacy blitz the Soviets think it will benefit them. And they think they will win.

No precise figures are available for the level of resources the Soviets are committing to this undertaking. Based on the best and most recent data available, however, it is estimated that the Soviet Union outspends us by at least two to one in international information activities. They employ an estimated seven times as many people as we do in their efforts.

For example -- through disinformation -- in 1977, the Soviets spent $100 million to influence public_opinion in Europe against the NATO neutron bomb shield -- a device which would have countered the Soviet's huge advantage in tanks. This disinformation campaign was so successful in persuading many of our European allies to the Soviet point of view that President Carter was forced to rescind the deployment of the protective bomb shield.

In comparison with the Soviets, USIA's budget is small, yet we are mindful of the fiscal restraint under which Congress must operate this year. In 1967 USIA had over 12,000 employees worldwide; as proposed in fiscal year 1987, we will have a little over 9,600, a decrease of 23 percent. In constant dollars our requested operating budget will still be two percent below the 1967 level. Yet the output and reach of the agency has grown enormously since 1967 -- especially in the past five years.

Thus I urge you to consider our budget in light of these facts as you weigh the strategic role of the U.S. Information Agency, which is on the frontline for America in the war of ideas with the Soviet Union. In a column last year, James Reston of The New York Times said of the war of ideas, "Fortunately it's the main war we have these days, and deserves more attention than it's getting."

Soviet propaganda, at work amidst the conflicts occurring around the globe, may have a fundemental and irrevocable effect on our national security, if we do not have the means to counter it.

If the Soviets' new public relations offensive is successful, it will carry with it formidable consequences for U.S. foreign policy and public diplomacy:

-- It could determine -- and has -- where we deploy our military forces.

-- It could affect national security and our ability to safeguard foreign policy commitments.

-- It could lessen our ability to bring about peaceful solutions to the crises in the Middle East, South Africa, and other strategic areas.

-- It could reduce our ability to assist the further development of democracy in Central and South America.

-- And it could handicap our effort to slow the steady stream of narcotics into this country.

Budget Request for FY 1987

Mr. Chairman, now, more than ever before, the resources of the U.S. Information Agency are needed. If you agree that USIA plays a central role in America's security, then we must not retreat -- either from our vital traditional commitment to tell America's story abroad or from meeting this new Soviet offensive. The U.S. Information Agency is the U.S. Government's principal resource in the international arena of ideas and plays a central role in America's security.

Our proposed budget for fiscal year 1987 totals $959.2 million, an increase of $104.5 million over our fiscal 1986 budget, as adjusted by Gramm-Rudman-Hollings and the pending supplemental. Of the requested increase -- $93.8 million -- or 90 percent is required to maintain ongoing activities.

This amount will enable us to continue modernization of the Voice of America, begun with strong Congressional support in 1982; to meet inflationary and other built-in requirements associated with USIA facilities and programs around the world, including educational and cultural exchanges.

We are requesting funds to achieve the mandated doubling of the 1982 level of selected exchanges. We are also requesting funds to enhance the National Endowment for Democracy.

USIA had also submitted a supplemental request which has been turned down by the full committee. We hope that you will consider appropriating a portion of this $17.8 million request for RIAS-TV and the U.S.-Soviet Cultural Exchange accord, signed at the Geneva Summit.

I would note that while our budget request is in response to a major Soviet challenge, it also addresses a unique opportunity to form an environment of trust and dialogue with the Soviets.

When President Reagan met Soviet General Secretary Gorbachev in Geneva last fall, the two leaders initiated a new general exchanges accord between our two countries after a six-year hiatus. President Reagan also expressed a strong desire to see the way opened for tens of thousands of young people from both countries to participate in reciprocal exchanges.

To carry out the intent of those historic accords, I went to the Soviet Union with a group from the State Department, the National Security Council and USIA in January. Our purpose was to structure the necessary channels to implement new people-to-people exchanges and to find areas of agreement and improvement between us in mass media, publishing and international broadcasting.

We are already seeing concrete results from these efforts and from other USIA initiatives begun this past year. President Reagan and Mr. Gorbachev exchanged New Year's Day greetings on television in each other's country. It was the first time that an American president had been seen on Soviet TV since 1972. Our President's message was seen by an estimated 150 million people in the Soviet Union.

The impact of this was best expressed by a Russian textile factory administrator named Larissa, who told Time magazine columnist Hugh Sidey: "We have a Russian proverb that goes, 'After 40 years of life, you will start paying for your actions in your face.' The lines in (Reagan's) face reflected good -- not the evil that we've been led to expect...I really think that seeing him for three minutes is worth more than hearing about him for 30 years."

Artists have been selected, and specific dates have been set, for the first of what will be about two dozen musical and theatrical performances to take place under the U.S.- USSR cultural accords. Just one exhibit traveling to the Soviet Union will be seen by an estimated 2.4 million people.

But we did not duck the hard issues that have historically divided our two nations and which have jeopardized our relationships. In talks with Leonid Zamyatin, chief of the Soviet Communist Party's International Information Department, I asked him point-blank about the Soviet practice of jamming Voice of America broadcasts -- in contravention of international agreements which they have signed -- and why they do not permit American bookstores in their country when so many books from the Soviet Union are sold freely in our country.

With other Soviet leaders, we discussed the issue of travel restrictions that hamper American journalists assigned to cover the Soviet Union, the limited access which American scholars have to Russian archival material, and the unbalanced and often false portrayal of the United States in the Soviet media.

One Soviet official, who has been intimately involved in U.S.-Soviet relations for three decades and who visited the U.S. with Nikita Khruschev in the 1960s, said that in his 30-year diplomatic career he had never heard such candor nor such a broad discussion of so many pivotal issues.

Mr. Chairman, the United States Information Agency is prepared to capitalize on this opportunity. That is why we are seeking $5.3 million in FY 1986 supplemental funds to implement the cultural accords. Paragraph two of that agreement recites its purpose: "Desiring to promote better understanding between the peoples of the United States of America and the Union of Soviet Socialist Republics and to help improve the general state of relations between the two countries."

The supplemental funds we are asking for would help finance traveling exhibits and performing groups and create a press and cultural office in Kiev.

The situation in which the United States now finds itself has some historic parallels to the one faced by President Eisenhower and

Soviet Premier Nikolai Bulganin when they met in Geneva in 1955.

Mr. Eisenhower spoke of a "simple purpose....to find a basis for accommodation which will make life safer and happier not only for the nations we represent but for people elsewhere," and to seek "a path to peace."

Three years later he stressed the central role that the U.S. Information Agency would play in this process when he remarked that a "start has been made toward increased exchanges of people and ideas," and added that "a greatly increased flow, in both directions, of leaders of thought in the two countries would be productive in making the voices of our two peoples more influential than are the pronouncements of governments."

With your help, we hope to resume that important "path to peace."

RIAS-TV

The U.S. Information Agency also seeks to undertake one other major initiative in 1986 for which we are requesting supplemental funds. We are seeking a one-time appropriation of $12 million to establish a television component to RIAS -- Radio in the American Sector, to be known as RIAS-TV.

This television initiative has the firm support of West Berlin Mayor Eberhard Diepgen and Chancellor Helmut Kohl of the Federal Republic of Germany. We see this project as a natural outgrowth intended to add a modern television facility to the immensely successful and symbolically important RIAS radio operation. It would be a joint German-American undertaking. The FRG has set aside $4 million for its share of the start-up costs and is willing to pay $24 million annually for the operating expenses of the station.

U.S. investment in a binational television facility enriching the variety of programming available in both East and West Germany would provide solid evidence of our continued commitment to Berlin. RIAS-TV would go on the air in 1987, in time to mark Berlin's 750th anniversary.

RIAS-TV terrestrial broadcasts from West Berlin would reach a potential audience of three million East Germans, as well as two million in the West. The FRG government desires that the RIAS-TV signal be fed into the West German cable network, increasing the number of potential viewers by about 12 million. The USG would pay RIAS-TV transmission costs on a continuing basis, as it now pays for RIAS radio transmission.

Terrestial transmission would cost $1.7 million annually; cable connection to the FRG would cost another $3.5 million per year, depending on the number of households connected.

RIAS-TV would reach a 25 mile radius broadcasting area. All of Berlin, East and West, as well as a small portion of the GDR would be covered, a potential audience of 3 million East Germans and 2 million West Berliners.

Recent Accomplishments

Mr. Chairman and members of this subcommittee, the U.S. Information Agency's 1987 budget is in direct response to the opportunities and challenges facing the United States today in advancing our foreign policy aims and continuing our role as the leader of the free world.

Let me give an accounting of USIA's accomplishments during the last fiscal year. During that period we:

* Responded to the Congressional mandate of Oct. 3, 1983, by launching the Radio Marti program of the Voice of America on May 20, 1985, broadcasting 14 and one-half hours daily of news, information, entertainment and commentary to Cuba. This past year three additional hours of daily broadcasting time were added to the program without any increase in staff, bringing Radio Marti's daily broadcast total to 17 and one-half hours. Because of its success in informing the Cuban people about events in Cuba, Castro's domestic radio stations have made sweeping changes in their program content in order to compete with Radio Marti.

* Addressed the issue of the acute shortage of American texts overseas by sending a half million donated books worth approximately $5 million to developing countries. This compares with the less than 50,000 sent in 1984 -- or a stunning 1,000 percent increase.

* Brought financially in need undergraduate students from Central America, to be educated in the U.S. for up to two years, in response to the Kissinger Commission Report. Newspapers across the country praised the program and one editorial from the Dallas Morning News said that even "in this era of budget cuts" the exchange is "not only worthy but long overdue."

* Began a daily satellite television service to Europe on April 22, 1985, through our global WORLDNET system, and witnessed two broadcast firsts: a two-hour medical conference between top American and Soviet cardiologists, and the first Congressional hearing ever conducted live, via satellite between witnesses in Panama and Chairman Dan Mica's International Operations Subcommittee.

* Inaugurated a daily Voice of America service to Europe on Oct. 15, 1985, now broadcasting 24 hours a day, seven days a week in English. This resumed a service to Europe we abandoned 25 years ago and found necessary to restart in order to reach the successor generation in Europe. This, together with Radio Marti and augmentations in eight other language services, increased VOA broadcasts from 986 to 1,327 hours weekly.

* Introduced new VOA feed services directly to third world radio stations -- for example, listeners in the major cities of Brazil now hear VOA news and features daily on 35 local stations.

* Signed a new relay station agreement with Botswana, which will strengthen VOA's broadcast capability in Africa and broke ground for a new relay stations in Sri Lanka, Thailand, and Morocco.

* Sent many outstanding American coaches on overseas tours to coach and conduct sports clinics through our new Sports America program. International airfare and sports equipment supporting this initiative have been donated by the private sector. Boxers George Foreman and Paul Gonsalves; baseball stars Jose Cardenal, Minnie Minoso, Gary Carter, Hector Lopez, and Nolan Ryan; and Olympic track experts such as Lee Evans and USIA's Mal Whitfield have traveled abroad for USIA.

* Fulfilled a Congressional mandate to lay the ground work for the Afghan Media Project which will help the Afghan people tell the story of their exploitation and invasion by the Soviet Union.

* Carried out the third year of the innovative Artistic Ambassador program which sends undiscovered world-class pianists overseas on cultural goodwill tours. Chambers of Commerce, friendship societies and conservatories in the host countries served in a co-sponsorship capacity providing concert halls and homestays, making the program a truly intercultural exchange, while cutting U.S. government costs.

* Facilitated the coming to the United States of 2,700 experts and professional leaders under our International Visitor Program to improve mutual understanding.

* Added a new private sector committee composed of 11 of the leading cardiologists and medical experts in the U.S. With this team of specialists, USIA is able to engage in teleconferencing and people-to-people exchanges to explain advances in American medicine. Since their inception, USIA's 11 Private Sector committees have donated an estimated $91 million in products and services toward agency initiatives.

* Established an office to coordinate the overall direction and management of the agency programs on the Bicentennial of the Constitution from 1985 through 1988.

* Initiated a computerized system of transmitting news stories to the Middle East in the Arabic language through the Wireless File -- for the first time in our history. This development enables us to communicate U.S. policy quickly to this vital area of the world.

Details of 1987 Fund Requirements

As I have already stated, the majority of funds we are asking for in fiscal 1987 are merely to maintain the communications and exchange activities mandated several years ago by the President and Congress and to consolidate recent gains.

During this period of catch-up -- after decades of neglect -- USIA's communications capabilities will finally be brought in line with state-of-the-art 20th century technology, adding immediacy and enhanced impact to our overall public diplomacy strategy.

About one-third of our requested increase, or $35.6 million, would be used to continue the modernization of the Voice of America, begun in 1983. To stretch the reach of the Voice we are replacing aging relay stations with new ones and asking for $22.6 million in increased radio construction funds for this purpose. In addition, $13 million is requested to finance the staffing and operational costs at levels approved by Congress in fiscal year 1986.

In support of this modernization project, over the last two and one-half years VOA has successfully concluded agreements for short wave relay stations in Thailand, Morocco, Botswana, and Sri Lanka. Groundwork is underway at each of those stations with the detailed design work to begin this year. Additional agreements are near for stations in Israel, Germany, Puerto Rico and the Far East. New medium wave stations have been built in Costa Rica and Belize with negotiations underway for stations in St. Vincent and Antigua and one other Central American country

To those living in the Soviet Union and its satellite states, the Voice of America is often the lifeline of news and information. In 1985 alone, the Voice received 49,657 letters from listeners living in totalitarian countries. Many of these letters were sent, I might add, at great personal risk.

One writer from the Soviet Union commented on "the immense work that is done by your organization." And went on to say "One hears about world events, events in the U.S., opinions by distinguished speakers, music in the theaters, histories of nations, and of great technological, scientific, agricultural and medical achievements. The abundance of material that is given by your broadcasting system can only bring one to the conclusion that you're speaking the voices of America." To this listener and others like him we are the essential source of truth and balanced news.

Listening to the Voice is also the way thousands around the world have learned the English language and by which many have received valuable and sometimes life-saving medical information.

Broadcasting 1,327 hours a week in 42 languages we are still far behind Radio Moscow, which fills 2,167 hours of weekly air time in 81 languages.

The Soviet's broadcast capability is far stronger than ours. Radio Moscow utilizes 37 powerful state-of-the-art 500 kilowatt transmitters. We have paired six aging 250 kilowatt transmitters together to try and match that broadcasting strength.

Today, one-third of our 108 transmitters are at least 30 years old.

More startling is the fact that 80 percent of them are at least 15 years old. These relics from the past belong in a museum -- not as part of the free world's principal internatioanl broadcasting service.

To build on the success of our daily WORLDNET satellite television service to Europe, we plan to extend the WORDLNET network to Latin America and East Asia and the Pacific in late 1986. We are seeking $3.6 million in 1987 to maintain these and other television programs. The use of television in support of our public diplomacy effort has been so effective in explaining our foreign policy that we consider it imperative that this level of effectiveness is maintained.

The introduction and widespread acceptance of our daily WORLDNET program to Europe - the first of its kind by any government - has had a profound impact on our public diplomacy work, clarifying U.S. issues and objectives with immediacy and authority. Foreign journalists and officials alike have joined in describing WORLDNET as an extraordinary communications medium. To a very large foreign audience, WORLDNET serves as an unfiltered window to the American way of life and its democratic system.

WORLDNET's multiplier effect via foreign rebroadcasts and in the print media is reaching a growing and previously hard-to-reach population. Hundreds of letters from overseas viewers show that WORLDNET, via cable and private satellite receivers, is sought out by young viewers - the successor generation -- for its special insights into America. "It lets us see Americans as they are..." says one British viewer. Another: "...the only American program we have in Belgium and it's not locally edited." And, from a young Norwegian describing WORLDNET's "...fresh and objective news. Hold on and keep the world free!"

Beamed globally to its various regional networks, special WORLDNET interactive programs are a continuing information source for new and unique programming by our posts:

--In France, our post distributes WORLDNET tapes to universities nationwide for use by students seeking teaching certificates in American studies.

--In Vienna, the daily "America Today" program is distributed to 40 schools, where 8-to-12 year olds view it for English language teaching.

--In Zambia, WORLDNET is used as an American medical teaching tool to nearly 100 medical faculty and students participating in a televised program of rehydration therapy.

--Both privately and institutionally, WORLDNET is widely used in the teaching of English as a second language.

WORLDNET has become the role model for Britain, France and Germany, now planning their own televised global public diplomacy ventures. The French are beaming a daily Spanish language TV service each day from France throughout Latin America. And, closer to home, viewers in the United States and elsewhere, are receiving telecasts at this moment from GHORIZONT, which broadcasts by satellite from the Soviet Union.

In addition to the major United States foreign policy themes, delineated and commented upon by leading American authorities, there have been numerous WORLDNETs dealing with the understanding and eradication of many of mankinds most serious health problems. The unprecedented two-hour MEDICOM-'85 televised exchange on advances in cardiology, initiated by USIA between the United States and the Soviet Union, made such an impression that the full two-hour program has been rebroadcast for the second time on Soviet TV. Similar WORLDNETs on other medical problems were also conducted with Hungary, the Middle East, and Africa.

In the relatively short time WORLDNET has existed, it has produced a profound effect. A survey of our posts indicates that overall media placement overseas has increased as much as 500% since WORLDNET's early programs. It is an extraordinarily valuable international communications tool in advancing America's interests, creating understanding of our policies and contributing to the free exchange of information among nations. WORLDNET should not lose momentum in its support of America's public diplomacy efforts.

We are requesting an increase of $32.1 million to maintain and expand our traditional exchange of persons programs, most notably the Fulbright Scholarships, the Humphrey Fellowships and the International Visitors Program.

Some $22.7 million is required to sustain the 1986 program level and $9.4 million is requested to increase exchanges with South Africa, the Soviet Union, to celebrate the Bicentennial of the Constitution and other programs.

Under the Fulbright-Hays Act, we pioneered a new educational exchange initiative last year by bringing financially in need Central American students to study at U.S. universities and colleges for up to two years. This is the first time that USIA has administered a scholarship program for deserving and academically competitive undergraduate students from disadvantaged backgrounds. It was a direct response to the 1984 Kissinger Commission Report which addressed the severe economic and social problems in that strategic region. Mr. Chairman, this program -- which gives disadvantaged foreign students the same opportunity that the sons and daughters of the wealthy have traditionally enjoyed -- helps express the belief that this country is a friend to those from all social and economic classes.

The program generated enormous goodwill in Central America where we had more than 1,000 qualified applicants. A total of 154 students were selected to ensure that the authorized number of students -- 143 -- completes the two-year program. Given our posts' strong interest in this program, the enthusiastic reaction of American academic institutions, and recent legislation sponsored by House Majority Leader James Wright, we are proposing to bring to the U.S. another group of Central American undergraduates in 1987.

These increases will accomplish the mandate to double the 1982 exchange program level. Not since the mid-1960s have we been able to expose so many foreign leaders, professional experts and potential friends to America and our way of life.

We are seeking $1.4 million in program enhancements for the National Endowment for Democracy.

In conclusion Mr. Chairman, the Soviet Union -- our global competitor and philosophically, our global adversary in the world -- is aggressively pursuing its historical goals -- those of winning new converts to totalitarianism, whether by military, social or propagandistic means.

They are doing it with what one Western journalist called "the most TV-conscious Kremlin leader in history."

It would be disadvantageous at this time for the U.S. government to retreat from such a challenge. We cannot cut back on resources for the agency which fights the "war of ideas" and is responsible for telling the story of America abroad.

USIA's resources have been declining for many years, in effect governed by the discipline embodied in Gramm-Rudman-Hollings for decades.

I believe the decision of the Congress this year about USIA's budget will have a dramatic effect on the extent to which the United States of America continues to be a viable and lasting force for promoting the values of democracy and freedom overseas.

As President Eisenhower advocated "It is more profitable in the long run, to put some of your money, a reasonable amount, in constructive things that tend to make people respectful of the great values that we are supporting, the liberty of the individual, his right to equal opportunity in his own country, the pursuit of happiness."

Mr. Chairman and subcommittee members, an adequate budget for USIA in fiscal 1987 can help us accomplish those goals. I welcome your continued support for our efforts. Thank you.

[At this point a videotape was shown.]

Mr. Wick. That was in support of our budget, by the way.

MEDIA PLACEMENT OF WORLDNET

Mr. Smith. In your statement and in the videotape you talked a lot about WORLDNET. You have expanded it now. You said media placement has increased 500 percent. What do you mean by that?

Mr. Wick. The congressional mandate from the very beginning, some 30 years ago, for USIA, is "to tell the world about America, American values." It is one thing to tell the world, and it is another thing to have the world listen. The way the world listens, of course, is through radio, through television, and its awareness through newspapers, magazines and other print media.

We seek, in telling the world about America, to have facts and positions replicated in various countries' media. The ultimate target of our telling the world about America—the peoples we are trying to reach—must be aware of what we are saying. We have had more replication of our positions of the United States, as told or promulgated by USIA, in the first 6 or 8 months of the commencement of WORLDNET, than probably the whole 30 years of USIA before that. In other words, measuring by the amount of television time or print media space that is devoted by different countries around the world to pieces or all of the WORLDNET broadcasts by——

Mr. Smith. You mean they pick up excerpts from WORLDNET?

Mr. Wick. Yes.

Mr. Smith. And use them locally; is that what you are talking about?

Mr. Wick. Yes, exactly. And sometimes the entire program. The front-page, back-page, middle-page reporting in newspapers has been unprecedented, when we have——

Mr. Smith. What do you mean by that? Do you mean they report what somebody said——

Mr. Wick. Yes.

Mr. Smith [continuing]. On WORLDNET?

Mr. Wick. Exactly. For example, Cap Weinberger this morning is on WORLDNET, even as we are talking, in conjunction with the new Soviet military power pamphlet. There is an almost unprecedented demand in our various embassies around the world, and our WORLDNET studios right now show that all the foreign networks are covering it, to find out exactly what our position is in those particular areas.

Mr. Smith. Are these places where this placement occurs in friendly countries or the ones we are trying to reach?

Mr. Wick. Both. We hope that the ones we do reach are friendly. We are trying to keep them that way. We don't have too much success getting behind the Iron Curtain with our television broadcasts. However, outside of Eastern Europe they are received from time to time, almost everywhere else in the world. We are broadcasting 5 days a week right now, 2 hours a day, to Western Europe.

When George Shultz was on, or people below the Cabinet level on specific issues, one of the advantages that we had not really conceived of initially in the formulation of WORLDNET is that our embassies are finding great interest and attendance by key foreign audiences. Depending upon the subject matter many foreign leaders, governmental, quasi-governmental and others, individuals who are interested in hearing the details, of, say the Secretary of Commerce or the Secretary of Defense or the Secretary of State, answering unrehearsed candid questions from media in different countries around the world.

Mr. SMITH. They can also pick up network programs in this country, can't they, off the satellites?

Mr. WICK. They can't pick them off the satellite unless they are satellited to Western Europe. However, those which address foreign affairs—you mean like "Face the Nation" or something like that?

Mr. SMITH. Correct.

Mr. WICK. Yes, I guess they could, but those are programs aimed at Americans, and there aren't many. The time of day usually doesn't coincide with listening patterns in those other countries necessarily, and I may be wrong but——

Mr. SMITH. You mean they pick up yours live?

Mr. WICK. Yes, we broadcsat live right from here, from 6th and D Streets Northwest, and closer than you and I are sitting might be George Shultz or any one of our policy people or somebody else, and the foreign press. There will be an array of radio, print and/or television reporters in The Netherlands or France or Germany or elsewhere asking questions "face-to-face."

Mr. SMITH. I thought one of the principal reasons for WORLDNET was to get the local officials in those governments to participate and get them to a meeting and hear the programs?

Mr. WICK. That is exactly what is happening. We get the coverage in telling the world about America, by having the radio, print and television media doing the television conferencing, and publishing their findings on radio, print and television almost immediately after. There is an enormous multiplier effect affecting millions of people just by virtue of that broadcast.

For example, let me embellish what I suggested to you of having in attendance in our embassies depending upon the issue or the speaker, many governmental, quasi-governmental, or academic representatives in attendance at these WORLDNET broadcasts. In one of the early days, I think it was for Mac Baldrige, the embassy in Rome had over 120 people there that were interested at that point in the GATT and the other E.E.C. problems we were having. They heard Mac Baldrige, the Secretary of Commerce, being cross-examined by a somewhat hostile European press. In that way those in attendance from the government and elsewhere at the embassy were able to get an in-depth evaluation of precisely what were our positions relating to their concerns.

Mr. SMITH. How do you know they didn't just come so they could get some bagels and wine?

Mr. WICK. Well, one reason——

Mr. SMITH. Ambassador Raab is good with the hors d'oeuvres.

Mr. WICK. Yes. Well, one reason is that we had only two or three people arrested at that time engaging in that practice. We felt it was contrary to the rules. Many of those people now request the opportunity to come to other WORLDNETS. They are vitally interested and it is unusual.

Mr. SMITH. You mean you have one of these every year?

Mr. WICK. Oh, no, we broadcast 5 days a week.

Mr. SMITH. You mean like you had in Rome?

Mr. WICK. We have those sometimes two times a week, one time a week, sometimes three times a week. Now I would also like to impress upon you the fact how cost effective these are. The first broadcast was on October 3, 1983, in response to the dismay that we felt upon European reaction to the President's Grenada rescue mission. Some of the leaders in Europe viewed it very disapprovingly, and we felt that their audiences were not as informed as were they, and we had in response that first WORLDNET with Jeane Kirkpatrick in the U.N. in Washington, in New York.

Mr. SMITH. The rescue mission what?

Mr. WICK. The Grenada rescue mission.

Mr. SMITH. Oh, I see.

Mr. WICK. And we had two of the prime ministers of East Caribbean nations on that answering questions from Europe, and they turned out to be world-class statesmen. They reported contrary to the allegations that we had gone in there as a stunt, that for 18 months they had seen a parade of East Germans, Bulgarians, North Koreans and Cubans overflowing into Grenada, and by the thousands, and yet in all of those eight East Caribbean nations, they had barely 500 policemen, let alone no army.

Today we are broadcasting five days a week, two hours a day to Western Europe. In addition to these teleconferences, we do "America Today," a half hour news program, we do a lot of features, we do sports programs and all. Following the erection of the second regional European satellite, and recognizing that there would be a large surplus of time, we put this out to bid. We have the right, for these 520 broadcast hours a year, to take it down from their satellite in all of our 72 posts in Western Europe. We are rapidly putting television receiver-only dishes on our posts to receive this.

At the time we started WORLDNET, to have 520 hours go to all of our 72 posts would cost somewhere around $100 million a year. But through old-fashioned entrepreneurial approaches that leavens the great bureaucratic system we have, in the bidding among the postal telecommunications agencies we finally made a deal not for $100 million for the year, not for $25 million, but for $1,644,000.

I have one short letter I would like to read to you, if I may, for the record. It just came in this morning on my way over here, and we just sent for it. This is from John C. Whitehead, Acting Secretary of the Department of State. It is dated March 24, which is yesterday.

"Dear Charlie:

"On behalf of Secretary Shultz, both you and your agency have our high esteem and compliments for the development and great success of USIA's WORLDNET. You are to be commended for its outstanding quality and acceptance throughout the world. Not only has WORLDNET proved to be a commercially innovative program, but it is one which gives invaluable support and assistance to United States foreign policy and for this we are most appreciative.

"WORLDNET offers an impressive means to discuss the full spectrum of issues which concern and engage us as well as a distinguished roster of senior officials from the Department of State and other agencies to reach audiences throughout the globe with America's message.

"The coverage which results in both print and electronic media is extensive and the nation is well served by it. We commend your television service staff for the flawless technical coordination between Washington and our embassies abroad, which makes it all possible.

"Our thanks to all of you for an invaluable means of communicating our policies abroad. Keep up the good work.

"Sincerely,

"John C. Whitehead."

If I may, I would like to add some pertinent remarks by Alvin Snyder, our TV service director.

[The prepared statement follows:]

STATEMENT BY ALVIN SNYDER
DIRECTOR, TELEVISION AND FILM SERVICE

As Director of USIA's Television and Film Service, I am pleased to have this opportunity to discuss our current activities and future potential.

Let me begin by stating the obvious: Television has become an incredibly powerful medium of communication. If there were any lingering doubts on that score in this country, they should have been dispelled by three events in the past year: the hostage crisis in Beirut; the Challenger space shuttle tragedy; and the end of the Marcos regime in the Philippines. Debate raged in this country over the role of television, a debate triggered by the widespread recognition of the significance of television in the coverage of those events.

On the international scene as well, which is what concerns USIA, television is recognized as an increasingly potent medium. Around the world, millions of people turn to television as their primary source of news and information. A technological revolution has helped to bring this about — satellites, cable, home videocassette recorders, backyard dishes, small screens and large screens, lightweight cameras and recording equipment; the list goes on and on. For example, later this year, the first Direct Broadcast Satellite (DBS) is scheduled for launch in Europe which will enable viewers to pick up transmissions with small home dishes. This technological revolution will eventually outpace the efforts of lawyers, bureaucrats and communist commisars to curb what people watch.

Television has tremendous influence with the "successor generation." A study published in February 1986 indicates that television is by far the most influential medium in West Germany among the country's young people, ages 12 to 30.

The Soviets are fully aware of the importance of television. When complaints were made recently about the extensive air time provided by an American network to Vladimir Posner to criticize a Presidential speech, the Soviets mocked us. Georgi Arbatov, Director of Moscow's Institute for the Study of the USA and Canada, was quoted as saying: "The Americans were always practicing public relations before. Now they seem to be afraid of it."

Mr. Arbatov is wrong. We are not afraid of the Soviets' new (for them), somewhat smoother public relations techniques. The argument was over the unfairness of their ready access to American television audiences, while they deny us reciprocal access to theirs. Both sides are in agreement about the importance and impact of television.

Television and film have always been part of USIA's worldwide cultural and information programming, but were not, in the past, a major element of that programming. With the revolution in technology and the evident growing importance of television around the world, USIA, under the direction of Charles Z. Wick and with the foresighted support of the Congress, has moved rapidly to put satellite technology to work for the United States in the arena of public diplomacy. We are still in the early, experimental stages and have been learning how best to employ this new technology as we go along. But we take considerable pride in our achievements to date and note that both our allies and adversaries have been quick to imitate us.

Following our lead, the Germans, the French, and the British all announced plans for international satellite television services. Already, Latin American television services receive a daily satellite feed in Spanish from the French government. Ghorizont, the Soviets' satellite service, is now beamed to U.S. and European receivers. In the March 19, 1986, issue of Variety, in an article entitled "The Russians are Coming," it is reported that the Soviets have begun to satellite into American cable TV systems a monthly hour-long program hosted in English by Vladimir Posner, the Soviet propagandist who, as mentioned above, appeared a few weeks ago on an American TV network to criticize President Reagan's speech.

In sum, international satellite broadcasting is a field in which the competition is keen and the technology fast-moving. To slow up is to fall behind. We must maintain the momentum established if USIA is to continue to use satellite technology effectively to achieve our objectives.

Our objectives with WORLDNET are those of the United States Information Agency itself: to explain and gain support for U.S. policies abroad, and to build better international understanding of American culture, society, institutions, and values. WORLDNET, which was launched in 1983, is the name we have given to the international satellite system designed to support those objectives and provide material in a timely manner. The WORLDNET service embraces a wide variety of programs which reach diverse audiences in different ways.

We negotiated a substantially reduced rate for satellite transmissions which allowed us to begin a daily service to Europe, permitting great flexibility in our programming, which is picked up by satellite dishes at our embassies and by cable and TV stations as a bonus. According to a recent USIA survey, posts report that since the inception of WORLDNET, USIA media placement has increased significantly.

In April of 1985, we began the daily two hour (Monday-Friday) transmission of WORLDNET to Europe. That daily feed is a prototype of the international satellite network we are implementing worldwide. The first hour of the daily service consists of an objective, balanced newscast called "America Today", followed by features and documentaries on the United States.

That first hour is geared primarily to a burgeoning cable television and home receiver market. While the European cable market is still in its infancy, the potential is enormous. The March 1986 issue of Cable and Satellite Europe, a London publication, contains a listing of the number of households (including hotels) in some of the European countries currently receiving satellite channels. Figures listed for WORLDNET included: Belgium 427,000 households; Denmark 540; France 1,027; Luxembourg 27,000; Netherlands 21,400; Switzerland 2,900; and the United Kingdom 10,500. An additional 200,000 WORLDNET households have been added through cable systems in Scandinavia and Germany. This brings the estimated total of receiving households to nearly 700,000.

To gauge current interest in our daily programming, we recently urged European viewers to write us. Some 400 letters arrived over a two week period. "WORLDNET news content is a definite asset to viewers," wrote a Swedish observer. "One gets ... the scent of America ... as important for me as your straight news coverage," wrote a German doctor. And a British viewer commented, "WORLDNET lets us see Americans as they are, not as 'Dynasty' or cowboy films depict them."

The second hour of the transmission is reserved mainly for our "interactives" — live teleconferences with leading U.S. Government officials or specialists. Prestigious guests are invited to our embassies abroad to observe or participate in these programs, including journalists whose coverage of the programs receive follow-up play in the local media. Five recent interactives provide a good sense of the purposes and possibilities allowed via WORLDNET.

-- In January 1986, Secretary of State Shultz appeared on WORLDNET to discuss Libyan responsibility for acts of terrorism. The USIS post in Brussels reported that prior to the WORLDNET, there was considerable specultation as to what the U.S. was going to do. Following the WORLDNET, Belgian journalists knew exactly where the United States stood. This is an example of how WORLDNET can be used to make clear in a timely manner U.S. policy on issues in the news, thereby helping to prevent miscalculations based on misunderstanding or ignorance of U.S. positions.

-- In a February 1986 WORLDNET live from Brussels, NATO Secretary General Lord Carrington talked about the future of the Alliance and stressed the importance of Spain continuing its NATO membership. Excerpts were highlighted by Spanish TV, radio and the press prior to the national referendum in which Spanish voters elected to stay in NATO. In this case, WORLDNET served to demonstrate the importance of international cooperation on key security issues.

-- In a recent one-country interactive for France, novelist John Barth spoke with French university professors who teach his work. Here, a WORLDNET program was used to develop American Studies programs in foreign universities.

-- Last week, Embassy Commercial Officers spoke with Alex Goode, Chief of the Commerce Department's Foreign Buyers' Program, about trade promotion objectives. We plan a follow-up program on a forthcoming computer trade fair in the U.S. The program will be designed to encourage foreign buyers to attend. The purpose here is to use WORLDNET to encourage free trade and an interest in American products abroad.

-- Also last week, Chief Justice Warren Burger appeared on WORLDNET to discuss the Bicentennial of the U.S. Constitution with foreign Chief Justices, scholars, judges, and constitutional experts. The Vice President (and future President) of the Italian Constitutional Court, Professor Antonio La Pergola, who participated in the program in Rome, commented on the eloquence and erudition of the Chief Justice's presentation and felt that the exchange was a very comfortable one, "like a fireside chat." This program is an example of using WORLDNET to explain and emphasize American respect for the rights of the individual and the rule of law.

WORLDNET, I would add, welcomes the continued participation of members of Congress. Our "America Today" newscast regularly features members of the House and Senate, as do our interactives. Representatives Tom Lantos (D-Calif.) and Tom Coleman (R-Missouri), for example, appeared on separate WORLDNET interactives in March 1986, and since last month, live interviews were conducted on "America Today" with Representatives Robert Livingston (R-La.), Robert C. Smith (R-N.H.), Senator Frank Murkowski (R -Alaska), and Senator Paul Simon (D-Ill.). Just last Friday on "America Today", James Slattery (D-Kansas) and Michael DeWine (R-Ohio) discussed their differing viewpoints on the Nicaraguan assistance issue.

Our satellite programming is proving to be an excellent means for encouraging a dialogue with Eastern Bloc nations. In November and December 1985, we held two-way video interactives on advances in the field of cardiology with medical specialists in Hungary and the Soviet Union. The two hour program with the Soviets was carried twice, in full, on Soviet TV in prime time. In keeping with the "Spirit of Geneva", we look forward to more programming of this kind.

We also regularly transmit WORLDNET interactives to other regions of the world. Programs on the interdiction of drug traffic, for example, have been a useful means of talking with governments in this hemisphere about the need to work together to solve a serious problem. For East Asia, Secretary of Defense Weinberger, Undersecretary of State Armacost, and Assistant Secretary of State Wolfowitz have appeared on WORLDNET interactives to discuss mutual security concerns, a topic of growing importance in view of events in the Philippines and New Zealand during the past year. U.S. determination to help end apartheid peacefully was treated in WORLDNETs for black Africa with Assistant Secretary of State Crocker. Also for Africa, a program on Oral Rehyrdration Therapy was much appreciated by specialists in that part of the world seized with this serious health problem.

The program on Oral Rehydration Therapy leads to consideration of what we call the "secondary" uses of WORLDNET. What I have described up to now are the primary uses — a live satellite feed used as it is being transmitted or covered by journalists for later reports in the local media. We are very pleased to find, however, that many of our USIS posts abroad use WORLDNET tapes imaginatively for follow-up, secondary purposes.

The USIS post in Nairobi was unable to participate in the December 1985 interactive on Oral Rehydration Therapy. In lieu of live participation, and in cooperation with the local USAID office, a tape of the program was shown later to an invited audience of Kenyan specialists. Their enthusiasm for the program led to a spin-off development, the showing of the tape to rural Kenyan health care practicioners at a seminar organized by the Ministry of Health. The Post reported that the secondary use of the tape made possible contact with a health care audience not frequently dealt with in USIA programs, and enabled the Post to impress upon a new circle of contacts the capabilities of WORLDNET and of USIA to provide topical products on matters of special interest to them.

Happily, this is not an isolated example. In Lusaka, for example, showings of a special hour-long "America Today" tape on the Challenger space shuttle tragedy were arranged for science clubs at secondary schools. In Europe, tapes of the WORLDNET interactive for France with writer John Barth, discussed above, are being shown to students of American literature, not only in France but in other European countries as well, such as Finland and Portugal. In Vienna, the Post has begun distribution of WORLDNET material to 40 high schools, working through the Ministry of Education. In Oslo, the Post has found secondary uses of WORLDNET valuable with such diverse institutions as hospitals, a university astro-physics institute, and with trade and professional organizations. In Brussels, the American Center Library has a computer catalogue of more than 500 WORLDNET tapes on a wide variety of subjects in its video library, which are checked out and played on home video units. A story on this is featured in the current issue of Elle, the largest circulation women's magazine in Europe.

We recently sent a telegram to our posts soliciting ideas for cultural and artistic programs, which was enthusiastically received. Agreement in principal has been reached with the Smithsonian Institution to have WORLDET showcase programs with artists, scholars, writers and performers who will conduct presentations at the Smithsonian under that institution's Associates' program. Selected programs for Spring 1986 would be on architecture, popular literature, and travel.

As valuable as are the primary uses of the actual live feed, these secondary uses provide an additional, dynamic potential for our transmissions.

We are encouraged by foreign reactions to our WORLDNET programming. Following a visit to USIS Paris where he viewed live WORLDNET broadcasts, Algerian journalism professor Lofti Maherzi wrote a two page article about our service for his country's largest circulation weekly newspaper Algeria Actualite in which he concluded that WORLDNET's message is "seductive and impressive."

My emphasis thus far today has been on USIA-TV's use of satellite technology. Before completing my statement, I do wish to highlight briefly some of the other activities underway at the Television and Film Service. While we are giving special attention to satellite programs, we also recognize the great value of other uses of television and film.

-- We have established a worldwide video club library overseas. This is in recognition of the tremendous growth of home video cassette recorders (VCRs), especially in half inch formats. We have several thousand titles in our catalogue, and more than 80 USIA posts participate. Our USIS post in Kuala Lumpur, Malaysia, reported a 50% increase in their book library program due to video club traffic. This growth in the home use of VCRs is also taking place in Eastern Europe and is likely to have an impressive impact in that closed region of the world. A recent Washington Post article on videocassette recorders in Poland commented, "In many Eastern European countries, communist governments foresaw the political dangers of video technology and have limited the spread of recorders and tapes. But in Poland, authorities admit they have no control over the medium, allowing a boom in video viewing that appears to exceed that in any Soviet Bloc country." The article quoted an opposition leader in Poland as saying, "Video techniques will be the most important and most useful weapon in our hands this year, and within a few more years, we will work mostly in this area." He continued, "The possibilities for free expression in video are nearly unlimited in Poland." It is unlikely other Eastern Bloc countries will long be able to contain the video boom.

-- USIA-TV produces a weekly half-hour program called "Satellite File", containing features on the United States, used by 140 TV broadcasters overseas. USIS in Bangkok, for example, reports increasing success with their Thai adaptation of features from the series which Bangkok TV stations use almost as quickly as the Post can provide them. "Science World", a bi-monthly program on advances in science and technology in the United States, is another USIA production which enjoys great popularity and placement on more than 100 TV networks abroad. The new commercial channel in France, "La Cinq", is featuring USIA's "Science World" in its schedule.

-- USIA's Foreign Press Centers in Washington, New York, and Los Angeles help U.S.-based foreign journalists and bureaus to obtain materials and interviews. Facilitative assistance to a Norwegian broadcaster for a program on the drug problem, for example, was carried nationwide on Norway's NRK-TV. The program is also being used for police training throughout the country. The USIA Press Centers are linked by satellite for live interviews with U.S. officials, which are also carried on the WORLDNET TV network.

-- USIA co-produced some 30 TV programs this year with major foreign networks. Recent examples include a program on the American economy with Finnish television, and a series with Egyptian television on how American-based research, methodology and training in agriculture contribute to Egypt's development.

These activities complement our growing WORLDNET satellite service. They all relate to the point I stressed at the outset: the importance of television in providing information and influencing, whether intentionally or not, public opinion. In USIA's overseas information and cultural programming, we can, of course, choose to ignore or neglect this development. But if we do so, I feel it would be detrimental to the interests of the U.S. abroad. Instead, I would urge strongly that USIA continue to receive the resources which enable us to use the incredible medium of television to build better understanding of the United States abroad, and to help bring the peoples of the world closer together.

RADIO BROACASTING TO CUBA

Mr. **Smith**. With respect to Radio Broadcasting to Cuba, how much did you request for 1986?

Mr. **Wick**. Somewhere around $11.5 million.

Mr. **Smith**. That is what you got?

Mr. **Wick**. We got $10.2 million. We requested $11.4 million.

Mr. **Smith**. Were you able to operate with that effectively or was there anything you were not able to do?

Mr. **Wick**. We got $10.2 million after Gramm-Rudman-Hollings. We got $10.7 million in the appropriation, and we came back to $10.2 million because of sequestration. Yes, we operated satisfactorily. However, we had not reached our full complement of people, and we are still in the process of various physical construction in Florida and here. We have the great Director of Radio Marti here, who can give you some very cogent——

Mr. **Smith**. You haven't fully implemented the program; is that correct?

Mr. **Wick**. We fully implemented the program except for the final construction of various facilities. We are waiting for a new transmitter to be installed, in May, I think, in Marathon, Florida.

Ernesto, is there anything?

Mr. **Betancourt**. It is being installed. The studios here in Washington also have to be completed.

Mr. **Wick**. While we are on Radio Marti, sir, in last Saturday's New York Times, one of the papers of record in this country, in response to a negative editorial they printed the week before on Radio Marti, being an obstacle for Castro to get the Mariels back there, they printed this last Saturday, "Second Thoughts on Radio Marti." And I will just read a few excerpts from it:

"Our March 12 editorial, 'Cruel and Unusual Banishment,' was unfair to Radio Marti, the U.S. Information Agency station that has been broadcasting to Cuba since May 1985. Contrary to our statement, the station appears to have found a responsive audience and filled a void in Cubans' information. Contrary to our fears last year, it has avoided propaganda and supplemented, not duplicated, commercial Spanish language broadcasts from Florida."

By the way, which are hardly hearable.

"Some obvious examples include the analytic coverage of Cuba's recent Third Party Congress, news about the defection (and attempted abduction) of a Cuban official in Spain, and readings of suppressed literature. Less obvious is the station's success in impelling Cuba to announce a program for containing AIDS after it aired the risks of exposure for Cubans who have served in Africa. With tangible evidence of a growing audience, the station has expanded transmissions to 17 hours a day."

Actually, it is 17½ hours a day from 14½.

"And all this, we concede, weakens our argument for turning off Radio Marti as a price of reviving an immigration agreement by which Cuba" et cetera.

Mr. **Smith**. How did you arrange for them to——

Mr. **Wick**. Well, in consultation with Mr. Qaddafi.

Mr. **Smith**. They didn't just out of thin air find that?

Mr. **Wick**. Well, no. We pointed out, we called them and gave them the facts, and that was almost an unprecedented action on the part of The New York Times, but The New York Times——

Mr. **Smith**. Did you speak in broken Spanish?

Mr. **Wick**. You mean my usual way? Anyway, we sent them the facts, and in the finest tradition that they represent, they were very anxious to correct that editorial.

Mr. **Smith**. So you haven't completed the hiring you need?

Mr. **Wick**. We are about 30——

Ernesto, about 30 away from what we have authorized?

Mr. **Betancourt**. Yes. It is actually 15 short of authorized staffing.

Mr. **Wick**. We are 15 away from a ceiling of 187.

Mr. **Smith**. Mr. Regula.

Mr. **Regula**. Thank you, Mr. Chairman.

RADIO BROADCASTS TO NICARAGUA AND CENTRAL AMERICA

In conjunction with Radio Marti, what do we have going into Nicaragua and Central America generally, in information-type programming?

Mr. **Wick**. You mean on radio?

Mr. **Regula**. Yes.

Mr. **Wick**. Well, not as much as we would like. We have our regular Voice of America short-wave broadcasts to that entire region. These broadcasts are the same for all of Latin America, and are not focused on the problems that we find specifically in this region where Cuban radio and Nicaraguan radio 24 hours a day are playing disinformation concerning our position.

Mr. **Regula**. Do you think we should strengthen our penetration?

Mr. **Wick**. We are trying to, Mr. Regula. We have temporary transmitters in the north of Costa Rica, which do reach Nicaragua. However, because of geographical factors that impair the signal, particularly at night, we can barely reach Managua, where we really should be reaching.

We have an agreement with Belize, where we hope to be able to install transmitters that will give us greater coverage in Nicaragua. Money is not really a problem if we get the funding that is part of the original plan that Congress adopted over a five-year period in 1983. But we do have a problem in that the geographical position for a transmitter, particularly for medium wave, which doesn't have a very long range, is somewhat difficult. But we are working at it, and hope to achieve our objective through Belize. We also are having our engineers look again at Costa Rica, to see what can be done, but it is difficult.

Mr. **Regula**. How about Honduras? Does it have the possibility for location of a transmitter?

Mr. **Wick**. We have been negotiating with Honduras, and I thought we had a deal when I was down there in January of 1984. But I think because of some of the problems that thereafter arose as to our military commitments and all, the resolution of that agreement that we had proposed to get a station in Honduras has not matured.

NATO PROGRAMMING

Mr. **Regula**. Going to Europe, do you get any funding through NATO or is this totally divorced? In other words, in effect, are the USIA activities in Europe considered to have a national security or Free World security element, or are they separated entirely from NATO activity?

Mr. **Wick**. Both. It certainly has a Free World relevance, and particularly a NATO country relevance. However, NATO has its NATIS, its own information agency, which incorporates all the NATO members, and they are pretty much relegated to informational activities. However, we do liaise. Lord Carrington, in response to a meeting I had with him last October, agreed that it would be a good idea, and we have sent a consultant over to NATIS to assist them in evaluating how they might be more effective through the kinds of professional skills that we have here.

USIA is intimately involved, of course, in security matters. We conducted briefings with information that was available to us with the various NATO members starting in January of 1982, when we found overwhelming dissension concerning the 1979 NATO agreement to deploy Cruise and Pershing II missiles in Western Europe to counter Soviet SS 20 missiles. Many of the peace groups in Western Europe were opposing that plan. The Soviets were spending millions in infiltration of various kinds of groups, in seeking to frustrate the deployment of the Pershing II and ground-launched Cruise missiles.

USIA, through our various posts, through our various information and public affairs officers, through our exchange with various counterparts, and then through the WORLDNETs, make a very important contribution in overcoming that Soviet effort seeking to separate us from our NATO partners, and defeat the deployment. They had been successful in 1977, reputedly spending about $100 million in disinformation, forcing President Carter to withdraw the enhanced radiation warheads, leaving the Soviets alone confronting Western Europe with their own radiation warheads.

Mr. **Regula**. So, obviously, from your statement, it is a very important element in NATO planning to get out the facts and issues.

Mr. **Wick**. Absolutely, and we do that very conscientiously and quite in depth.

TV PENETRATION OF THE SOVIET UNION AND EAST EUROPE

Mr. **Regula**. What are the possibilities of penetrating the Soviet Union and the Eastern Bloc countries with television as opposed to radio?

Mr. **Wick**. We are now broadcasting on the so-called West Beam of the ECS-1 European Community Satellite. That footprint, or the area of coverage that television receiving dishes can take down, extends just about up to the Eastern countries. We were spending approximately $500 an hour as of several months ago to put the same program on the East Beam that covers all of the Soviet Union and all of the Eastern European countries.

The capacity for laypersons to utilize television receive-only dishes to get satellite signals directly is prohibited in most of those countries, as you know. Hungary is just now allowing some of that, and so we will be able to have them receive it.

We know that as there are now underground video cassettes multiplying, and proliferating in the Soviet Union and elsewhere, with the impact of that kind of information that hitherto has been absolutely impossible, that people reasonably good with their hands will be able to fashion television receiver-only dishes out of chicken wire, sleds, and that kind of thing. They then will be able to take down those signals, and our experience and everybody else's experience has been that Voice of America, Deutsche Welle, and other Free World broadcasters getting behind the Iron Curtain with various facts, find that those facts travel like wildfire throughout the citizenry.

So at some point we think that we may be in a position to have the Voice of America broadcast instructions to handymen as to how they may create TV receiving dishes out of the kinds of materials that are otherwise available. But I think that the direct broadcasting by satellite is here.

Germany and France will be launching a direct broadcast satellite in the next month or two, with a second or third generation direct broadcast satellite, which will have the power so that its signals can be received in dishes about this big (indicating). I think you are going to find that the Soviet empire, assaulted with Free World information, is going to change dramatically in the next few years.

Mr. REGULA. I was interested—I had a chauffeur driving, as part of a delegation in Moscow, and the driver did not understand any English.

Mr. WICK. As far as you were concerned.

Mr. REGULA. Yes, and when I got into the car rather quickly one day, I noted that he was listening to the BBC.

Mr. WICK. I hope you gave him my Voice of America card.

INFORMATION PROGRAMMING TO CHINA

Mr. REGULA. How about China? What penetration do the information services have in terms of that country?

Mr. WICK. Very important. VOA is highly regarded in China. We have no jamming. VOA English lessons are a very big hit in China. We broadcast not only English, we broadcast, 63 hours a week in Mandarin and 49 hours per week in English. Our broadcasts are welcomed, and we do have informational activities in our various posts that are welcomed. We have our annual film festival there that attracts a great deal of attention. We have our Amparts, American participant speakers who are widely regarded, lecturing in different fields on the expertise they have. Our WORLDNET has been received from time to time.

During the 1984 Presidential elections, the Chinese telecommunications operations only charged us $1,500 instead of $10,000 to bring the election down from the satellite to the Great Wall Hotel, which had thousands of people there watching our elections. We are negotiating with the Chinese, and at some point we hope we can have regular WORLDNET broadcasts there.

We also are scheduled to open a post in Wuhan—that is, before Gramm-Rudman-Hollings, a major communications, industrial, commercial and educational center in Central China. We are supposed to open that in late 1986. A regional book program office has been approved for the Far East in our Educational Bureau. Its primary emphasis will be on China but due to its regional nature and to housing shortages in China, it must be situated in another country.

We are planning TV broadcast training exchanges with China Central Television. Al Snyder, head of our World Television Service, has been over there and has had many discussions. We also plan an increased book translation and distribution program, a reference outreach service for selected contacts, and on and on and on. One of the most dramatic things that we are doing right now involves the wireless file. Let me get some cost figures. Woody, when will we have those costs on the wireless, do you know?

Mr. KINGMAN. Just over $2 million.

Mr. WICK. We already have that. We sent Jack Koehler, who retired last July as Vice President, International Manager of the Associated Press around the world. Our wireless file has been in existence since wireless began. It is the most valuable tool in our embassies, according to the ambassadors and everybody else, operating five days a week, putting out 18,000 to 25,000 words a day giving the complete texts of statements by our policy people, transcriptions of relevant congressional testimony of particular importance to the foreign affairs community, and various other kinds of backgrounds on SDI, Libya, or whatever are the issues.

Now, in telling the world America's story, our public affairs officers and information officers pull those wireless files together. We are now on computer, which just telescopes the time from two and three hours a day to maybe 20 minutes to many areas, and our Posts distribute the output to the media. It is very valuable, but it is highly perishable material, and unfortunately we can't always get it out fast enough to meet deadlines for some of the fast-breaking editorials.

We are poised now—Jack Koehler has talked to innumerable media, newspapers in various countries around the world about a new approach, and he has not had a single rejection. We think, for no increased cost or a nominal increased cost, we can send our wireless file on a continuous basis with loops to newspapers all over the world that we designate that will have it instantaneously, and have the full facts on our position. At least, then, the media will not distort our positions unintentionally, through their editorials and reports. They will have the facts.

EFFORTS TO REDUCE OVERHEAD

Mr. REGULA. Mr. Wick, I think you have done a good job with USIA. I think it is an extremely important function of the United States Government and the Free world. The war of ideas is one that will grow in its importance, simply because people are so thirsty for information, which leads me to a more practical question. And that is, are you scrutinizing your expenditures to see if there are ways you can reduce overhead?

The Cleveland Plain Dealer, which is the biggest newspaper in Ohio, had the story on the Jack Brooks investigation of excessive travel costs on the part of your people, and that is very corrosive in terms of support.

I think as we face budget constraints, as we have done at my congressional office, all the Members are going to have to reduce costs because we are going to have a lesser amount to operate with next year. Have you really gone through with a fine-tooth comb to find out where you can reduce operating overhead so that the monies will be available to do these outreach programs that are so vital, such an expansion of our Central American activity, the expansion in Germany that you have described, which seems to me like a constructive effort, and so on?

I think certainly I, as a Member of the committee, want to be very supportive of what you are doing, but I also want to make sure we are getting value received for every dollar we spend.

Mr. WICK. I think that is our job, monitoring us is your job, and I can assure you that we are very conscientious about it. I haven't seen the Cleveland Plain Dealer article, but I would question very much whether Congressman Brooks found the travel to be excessive, in the sense of possibly redundant and not readily relevant to legitimate or practical purpose. He did find source of the costs to be excessive, compared to other modes of travel, and we agreed with him and have taken necessary corrective action.

Mr. REGULA. This was based on a GAO report, which obviously you must have seen, citing ocean-liner travel in lieu of air?

Mr. WICK. Yes, that ocean-liner travel is a real aberration, although at the time it was consistent with foreign affairs travel policies. There was very little of that, and I particularly came down hard on that, and the policies have been changed.

Through our scrutiny we discovered a costly riverboat trip, and we are seeking reimbursement. But the answer to your question is yes: we are doing our very best. However, to put this in context, all of our business is overseas. We have 214 posts in 129 countries, and to be in touch with them is vitally important. My travel is such that when I go to an area, we have our public affairs officers in groupings to determine what they are doing that needs addressing, telling them what we are doing in Washington, and that has been immensely valuable.

For example, I was in Africa in October of 1983, and among the things I learned, in talking to about 30 of our public affairs officers, was their consistent gripe that they are being charged an extra $100 for every vido tape they get. USIA had to conform every tape to the system in use in those countries—I think it is SECAM down there against our system here. This re-taping caused delays of two or three weeks. We used to send them down to Orlando, Florida. We were spending about $250,000 a year to duplicate the tapes that we make here, so that they could be played in different contries with different broadcast systems.

I had been investigating that for two or three years, and saying "Why don't we just get our own system for changing tape formats?". And I was told that, it would cost about $1.6 million to do it, and it would take eight extra positions.

I did something that I had learned 20 years earlier not to do, and that was to get mad and say I don't believe it. We had it reinvestigated, and now we have our own service. We did not add eight positions. We did not add seven. We did not add six. We added none. And instead of $1.7 million we paid $55,000, and we are saving about two hundred some thousand dollars a year. So those are some of the practical things you get out of normal management.

Any business that operates in remote locations has to address itself to them, and we must also remember that travel includes all of the parts and equipment we send over, and transferring people from post to post.

Mr. REGULA. I understand.

Mr. WICK. The answer is yes, we are very much aware——

Mr. REGULA. The constructive things you do do not make the Plain Dealer, unfortunately.

Mr. WICK. Particularly the Plain Dealer, that is my home town and that has been the worst source of news for us for a long time and . . . (laughing) so much of it is true.

Mr. REGULA. I am pleased to hear that you are scrutinizing every expenditure, saying is there a better way to do it. That is something I think we all have to work on.

Mr. WICK. Yes. I think Stanley Silverman, who is one of our chief scrutinizers, can give you something——

Mr. SMITH. These kinds of articles increase your media placement, don't they?

Mr. WICK. Yes, but that is not telling the world about America.

Mr. SILVERMAN. Mr. Regula, in 1986 we cut $1.1 million out of the travel that had been planned for the year. We have changed our policy so that ship travel is only permitted now for emergency cases.

Mr. WICK. If you have to get there in a hurry.

Mr. SILVERMAN. With a strong wind.

We have taken a number of steps to correct that deficiency. Also the article, or the GAO, cited for both the United States Information Agency and the State Department a problem which we have had for a number of years of travel advances that are outstanding at a high level. We have made significant strides in reducing that outstanding balance as well.

Mr. REGULA. I hope it is not just travel, but you have looked at every facet of your operation to ask if there is a less expensive way to do this, including personnel costs?

Mr. WICK. This certainly can't be extrapolated for many things, but take for example, the San Francisco Reception Center for foreign visitors. We were spending about $250,000 a year in San Francisco. When I was there I saw that the San Francisco movers and shakers had a similar kind of thing, and we just got them together. We gave them $100,000 in FY 1983, $50,000 in FY 1984, and $95,000 in FY 1985. We are giving them $65,000 in FY 1986—this will be the last year—as against a previous cost of $250,000 annually.

We have saved a lot of money in our overseas telephone charges by using this new computer for the wireless file. We have looked at a lot of things, to the extent that we can. Of course we have been under stringent review for some time, because of the need for the expansion of the Voice of America, trying to make it viable, and the chairman and you in the various committees have made some searching requests. Your staffs have been extremely effective in probing and asking questions, and pointed out in many instances where they were right, and have been very helpful to us.

Mr. **Regula**. Thank you, Mr. Chairman.

Mr. **Smith**. Why didn't you call the Plain Dealer like you did The New York Times?

Mr. **Wick**. I will tell you why.

Mr. **Smith**. You don't care who reads it?

Mr. **Wick**. Yes, I do, but it doesn't do us much good. The New York Times is read by a number of people here, and we may yet answer that Plain Dealer. I didn't even see that. I got an invitation to speak in Cleveland, my home town, about three or four months ago. It was exceedingly difficult for me to get there, and the person that was chairman of this foreign policy group was the new editor of the Cleveland Plain Dealer. I know the publisher. And I gave the same speech I have given elsewhere, that has reflected well on USIA, and I got a real lousy writeup in the Cleveland Plain Dealer.

Mr. **Regula**. We know the experience.

IMPACT OF 1986 SEQUESTRATION

Mr. **Smith**. The $37,623,000 sequestered, how are you going to handle that? Did we give you too much money, or is that going to hurt you?

Mr. **Silverman**. No, sir, it will hurt. In the document that we presented to the committee, the cut in the salaries and expenses account, which was $24.6 million of that total was displayed on a pro rata basis element by element. Because that would hit particularly hard at our posts abroad, where there are significant fixed costs with their installations and their staffs, we have prepared a reprogramming letter which we will leave with you, that shows a different distribution. The essence of that distribution is to take a greater proportionate share out of the Voice of America, Television, the Management Bureau and the Programs Bureau in Washington, so that we will keep the posts abroad as untouched as possible. They are obviously also affected.

The President's budget for USIA in 1987 was predicated on a continuation of the program levels that were authorized in your initial appropriation. Therefore, we stressed taking these Gramm-Rudman-Hollings cuts in 1986 by delaying the startup of a post like Wuhan as much as possible, by taking temporary cuts, what we would have hoped to be temporary cuts, so that we can resume activities next year.

In other words, we went out of our way not to affect staff, which I think the Federal Government did as a general principle. We delayed the purchase of equipment, program products, sending speakers, making exhibits, and all those things will certainly hurt our programs abroad.

Mr. **Smith**. Well, then that doesn't mean you got permanent savings. All you did was delay some expenditures?

Mr. **Silverman**. That was the intention, sir, because of the way the 1987 budget was allowed in the President's total budget plan.

Our part of the total federal budget, as the President submitted it, of course, would have fit with a reduction, a deficit reduction target of $144 billion.

Mr. **Smith**. Gramm-Rudman was supposed to reduce outlays over the five-year period. How are you going to reduce outlays over a five-year period if you merely delay some expenditures from 1986 to 1987?

Mr. **Silverman**. Well, in the grand scheme of things, the general reduction would obviously come in other parts of the federal budget in terms of the way the cut was allocated to USIA. Obviously there will be some savings because the programs we are delaying in 1986 would have been spent in part in 1987. There were delays in the construction program as well that will have delays in that respect, and save money.

But by and large, the Agency's budget and its arrangements within Gramm-Rudman-Hollings, and within the President's total picture, the intent would be for us to regain those expenditures and the cuts would be made elsewhere.

STATUS OF OBLIGATIONS FOR VOA MODERNIZATION

Mr. **Smith**. We have had some big increases for construction, and of course you can't have outlays in the same fiscal year that anywhere near absorb all the new obligational authority. Give us an explanation of how those accounts add up now, outlays compared to obligational authority, how much obligational authority is carried over and to what extent it is obligated.

Mr. **Silverman**. In the radio construction account, Mr. Chairman, we have a 1986 appropriation after sequestration of $109 million. We anticipate carrying forward at the end of this year some $61.7 million unobligated. However. almost all of that is needed, because at the end of this fiscal year, we plan to begin major procurement and have out for bids major transmitter and power plant procurements. In 1987, we need the money.

Mr. **Smith**. You mean you are just not ready to let the bids yet; is that the problem?

Mr. **Silverman**. Yes, sir, because four of the 500-kilowatt transmitters, are being tested now at Greenville, North Carolina, for us to perfect the specifications, so that when they go out on bid——

Mr. **Wick**. Plus preliminary planning and site work takes quite a while; just preparing the site can take over a year. Do you see what I mean?

Mr. **Silverman**. Our obligations in 1986 are expected to total $128 million. Now, generally outlays represent maybe 25 percent of that in this construction account, as opposed to 80 percent in our salaries and expenses account, because it does, as you suggest, spend slowly because of the lead time.

Mr. **Smith**. What about the money we gave you in 1985?

Mr. **Silverman**. In 1985 the appropriation was $91.6 million. We obligated $99.7 million, which includes carryover from the previous year. We still brought forward a considerable balance into 1986. There has been a slow startup in this program, because of the need to negotiate agreements with all the countries, and working with the Corps of Engineers to mobilize the contracting in many of these countries, and those things do take time. It is just getting underway. And we would hope to be able to proceed according to plan, which has been stretched out as it is.

Mr. **Smith**. How much will you have carried forward for all previous years at the end of this fiscal year?

Mr. **Silverman**. In the construction account?

Mr. **Smith**. Yes.

Mr. **Silverman**. The $61.7 million is the total that will be carried forward at the end of this year from all previous years, which includes mainly money from the $109 million that was appropriated this year.

Mr. **Smith**. Do you mean all of it?

Mr. **Silverman**. But that is the grand total.

Mr. **Smith**. All of it from previous years? Oh, that includes any——

Mr. **Silverman**. From any previous years and the new money for this year, yes, sir.

Mr. **Smith**. I see.

Mr. **Silverman**. There are representatives here from the Voice of America who could elaborate more on their plans and what lies immediately ahead, if you would like to hear from them, Mr. Chairman.

Mr. **Smith**. Well, briefly, yes. This is a big account.

Mr. **Morton Smith**. I am Mort Smith, Deputy Director of VOA for the modernization program.

As Stan Silverman indicated, we are entering a critical period. Admittedly, the programs started very slowly, but a great deal of momentum has been generated, and we have negotiated a number of site agreements. Many more are very close to signing. We are now doing the basic testing of transmitter design so that by the end of this fiscal year we will be in a position to commit rather large sums of money for these major procurements of transmitters and generating equipment. The carryover will make it possible for us to do this.

Without the carryover we would not have the funds to offer contractors an opportunity to supply this equipment. We estimate a need for about $70 million for transmitter and generating equipment, in terms of commitments at the end of this fiscal year and the beginning of next year in terms of obligations. This will be the very, very major procurements, and as we indicated in previous years, this was coming. Unfortunately, it takes a long time. It takes a number of years, but this is thoroughly in accordance with our plan of expenditures.

We have four agreements now in four major countries for shortwave stations and about five more that we will sign fairly soon. A great deal of time and effort, and a great deal of the prestige of the U.S. Government has been involved in negotiating these agreements. Everyone from the President on down has gotten involved in a number of these cases, so we have rather significant commitments to these governments.

Mr. **Smith**. If these investments are made in accordance with the schedule you have planned for the next several years, what are we talking about in total?

Mr. **Morton Smith.** We are talking about an overall program which OMB has authorized us to pursue of $1.3 billion, which is the basic figure we have been using since 1983, I believe, when the program started. OMB this year reaffirmed the $1.3 billion cap on our program.

Mr. **Smith.** How much of that has been appropriated so far?

Mr. **Morton Smith.** In the order of $300 million.

Mr. **Smith.** What number of years are you talking about for that total?

Mr. **Morton Smith.** Initially, there were people around who thought we could do this in five years. Our experience has shown that we cannot do it in five years. Negotiating agreements, for example, has come rather slowly in some cases. In one case it took us six months to negotiate an agreement. In another case it took us four years, and the time lapse has covered everything in between. You can't predict when a government is going to be willing to sign on the dotted line.

Mr. **Smith.** It may take several more years?

Mr. **Morton Smith.** That is right. Instead of a five-year program we would expect more like a seven or eight-year program.

Mr. **Wick.** We are looking at 1992 realistically for these to come on stream.

Mr. **Morton Smith.** Before they start broadcasting, right, 1991-1992.

INCREASE IN EXCHANGE PROGRAMS

Mr. **Smith.** The educational exchange programs, what are you requesting in this fiscal year?

Mr. **Wick.** $166 million.

Mr. **Smith.** Is that an increase or a decrease in the number of scholars?

Mr. **Silverman.** Yes, sir, it is an increase in the number of scholars, but a large part of that increase relates to the fact that you were kind enough to give us an appropriation at the end of 1985 as part of the supplemental. Funds for those programs are being spent this year, because they came at the end of the year. In order to sustain that level of activity in 1987, we would need to get new appropriations to sustain what we are doing with balances in 1986.

But there is somewhat over $9 million in new programs within that $166 million—I think the Director alluded to it—that would be an expanded program in South Africa; it would be the first phase of the official exchange of persons part of the agreement with the Soviet Union that came out of Geneva. By the way the largest part of the exchange of persons activity with the Soviet Union will be a private effort which is being coordinated by Mr. Rhinesmith, directly under the Director.

We are also proposing to operate some exchange programs in celebration of the bicentennial of the Constitution. We are increasing our teacher exchange program, university linkages, professional exchanges, and the Humphrey program will also increase.

Mr. **Smith.** What kinds of exchanges would you propose in connection with the bicentennial?

Mr. **Silverman.** Pardon, sir, what kind of exchanges?

Mr. **Smith**. Yes.

Mr. **Silverman**. Dr. Blitz, the Associate Director for Educational and Cultural Affairs, is here, Mr. Chairman. I believe he could speak to that.

Mr. **Blitz**. First of all, we propose to enhance each of the International Visitors programs with an appropriate bicentennial activity, a period of time either in Philadelphia, in Virginia, or some similar appropriate place within the country, and try to do that with as many of the international visitors as we can.

Second, we propose to do some summer institutes and summer study directly related to the bicentennial.

Mr. **Smith**. How long will they be here?

Mr. **Blitz**. For the summer institutes?

Mr. **Smith**. Yes.

Mr. **Blitz**. For the summer institutes, people are usually here for about a six-week period in the summer.

Mr. **Smith**. You are talking about a six-weeks exchange?

Mr. **Blitz**. We would do some six-weeks exchanges. We would enhance some of the one-month visitor exchanges. We would do more in the Fulbright exchange area directly related to the bicentennial.

Mr. **Smith**. How does someone from here go into their country, fit into the bicentennial?

Mr. **Blitz**. Under the Fulbright program we would increase the number of Fulbright lecturers, teachers, academic specialists.

Mr. **Smith**. They would lecture on the bicentennial, is that it?

Mr. **Blitz**. They would lecture on issues related to the bicentennial, such as American political processes, the American political structure, the constitutional structure, in some cases the history related to the bicentennial. The overall effort would be to discuss American political institutions and political rights in terms of and in relation to the Constitution.

Mr. **Smith**. Now explain more about South Africa.

Mr. **Blitz**. South African exchanges, had some increase last year, and some increase this year. Some of these exchanges involve lawyers and legal work with blacks and those of mixed races in South Africa. There are also exchanges involving teachers and other educators, and there are some additional exchanges involving students. Those are primarily exchanges to bring people to the United States in those areas.

Mr. **Smith**. For what period of time?

Mr. **Blitz**. Again, it varies. In many cases we are talking summer institutes. In other cases we are talking year-long programs.

Mr. **Smith**. And we have people that go there for the same length of time?

Mr. **Blitz**. We have people who go to South Africa under many of our programs. Some are there for that length of time. Some, again, are there for a shorter length of time. Most of the enhancements are for bringing people to the United States for study.

Mr. **Smith**. Enhancements, what do you mean by that?

Mr. **Blitz**. As Stan Silverman said, some of the increased South African exchanges are included in the $9 million portion of our enhancement, and would provide increased programming over and above what we needed for continuing existing program levels.

Mr. SMITH. What do we get out of having them come here?

Mr. BLITZ. What we get out of having them come here is to bring them to a level in their fields of expertise, legally and educationally, where they can occupy important positions within their community when that community is ready to bring them to those positions.

When they have been exposed to and educated in the United States, they develop the kind of ties and links with the people in the United States which they will call on in the future when they rise to some prominence in their own institutions. It gives us a chance to have an input into their continuing education, and into links with them as they go on into the future.

Mr. SMITH. They have a big university in South Africa. That is one of the things they point to with pride.

Mr. BLITZ. But it is difficult for some people, blacks and coloreds in particular in South Africa, to receive the level of education and attention that is necessary for them. That is particularly true in some of the legal areas, where we are trying to have an expanded exchange. So our effort is really targeted on that group within South Africa.

Mr. SMITH. That is one of the things our people in our embassies over there tell us that really that is one area where they really do provide opportunity in the educational field. Now, maybe it is not in the legal field. I don't know if there is a specialized field. They tell us that they have got the level of educational experience over there that we have here.

Mr. BLITZ. In terms of what our people in the posts in South Africa and others as well tell us, these kinds of enhancements are necessary to really bring up to speed the groups we are most interested in dealing within the legal area, and again in many of the educational areas.

Mr. SMITH. Is it in particular areas or in all fields?

Mr. BLITZ. It is in many fields, but the enhancements are more in some particular areas, in graduate study, some of them having to do with secondary school teaching and other teaching fields, and in the legal field.

CONVERSION OF FOREIGN NATIONAL EMPLOYEES IN USSR

Mr. SMITH. On another subject, you are proposing to convert a number of foreign national employees in Moscow to American positions. I understand the reason for some of this at the State Department, but are these people in sensitive positions? It costs a lot more money to send Americans. What is the reason behind it?

Mr. SILVERMAN. Yes, sir. We are doing it on a very limited basis, only for the ones that are sensitive. But for the most part the local personnel, the foreign nationals that work for us would probably not be converted.

Mr. SMITH. What areas do you have that are sensitive?

Mr. SILVERMAN. Our press and cultural officer in Moscow obviously has to work with the embassy on some of the areas, and the people that would work directly for him would be in that category.

Mr. SMITH. But he is not a foreign national, the people who work around there?

Mr. **Silverman**. No, sir, he is not. We had a much larger number originally when we went to OMB, and they scrutinized it in relation to what the State Department was asking for, and ours was cut back to be consistent with the minimum number that would need to be converted.

Mr. **Smith**. What is the difference in the cost of having a U.S. citizen go over there compared to hiring a foreign national?

Mr. **Silverman**. The total cost, sir, comes to roughly $305,000 each.

Mr. **Smith**. Each?

Mr. **Silverman**. By the time you pay for the cost of the American salary and housing and benefits and getting them there, yes, sir.

Mr. **Smith**. Per year?

Mr. **Silverman**. It is very expensive. Yes, sir.

Mr. **Smith**. You mean it costs $305,000 more to have an American over there per year?

Mr. **Silverman**. Well, it wouldn't be per year, because in that figure there would be the cost of transfer, and they don't transfer every year. But the transfer cost would be roughly $10,000. That would occur only every two years when they move.

Mr. **Smith**. The first year it costs $305,000 more?

Mr. **Silverman**. That is approximately what we figure it to be, yes, sir.

Mr. **Smith**. And how long do they stay?

Mr. **Silverman**. The tour of duty I believe is two years in the Soviet Union.

Mr. **Smith**. So the second year it would be slightly less, but not a great deal less?

Mr. **Silverman**. Yes, sir. This would of course include the cost of the family, and maintaining the American there versus paying just the salary of a foreign national employee. That is the cost figures we have gotten from the Department of State in this area. Our own Americans don't cost quite that much, so that figure may be a little high. But the Soviet Union is an excessively high cost area because of the special arrangements that have to be made.

Mr. **Smith**. How many do you have left in your request now to be replaced?

Mr. **Silverman**. How many?

Mr. **Smith**. Foreign nationals.

Mr. **Silverman**. Would stay there?

Mr. **Smith**. Yes. How many foreign nationals do you propose to replace with Americans?

Mr. **Silverman**. We are replacing three in our own services, and then we are paying for three that relate to the administrative services provided for us by the Department of State. In other words, I think we have somewhere between 15 and 20 who work for us in the Soviet Union, and we are only replacing three of our own. But we also have to pay for a share of those who support us through the State Department administrative arrangement, and we are told our share is three of that.

Mr. **Smith**. Are you saying that all six of these are what you would call sensitive positions?

Mr. **Silverman**. Yes, sir, sensitive enough under the formula that has been worked out. But as you suggested, sir, most of the people who work directly for the press and cultural operation, our operation, are not sensitive, and they will continue in their current arrangement.

VOA PROGRAMMING REPEATS

Mr. **Smith**. What part of the Voice of America is repeat broadcasting? Is it a substantial part or not?

Mr. **Wick**. We repeat the editorials. We repeat some features.

Mr. **Smith**. What about entertainment?

Mr. **Wick**. Entertainment is not repeated very much.

Mr. **Smith**. I noticed the networks in this country repeat and repeat and repeat, and apparently they think, taking market surveys, that on a repeat they get about as much out of it as they did out of the original broadcast.

Mr. **Wick**. They repeat mainly in the summer months and spring, when the total audience is down. They don't repeat during the prime time year.

Mr. **Smith**. Well, they must have summer in some of these other countries, don't they?

Mr. **Wick**. Yes. Except behind the Iron Curtain. of course. We broadcast in 42 languages, so the number of hours that we broadcast to various countries differs widely. It is very rare that we broadcast all day to one country.

Mr. **Smith**. Wherever you broadcast an original entertainment program you could at that same station, presumably at that same time the next year you could broadcast a repeat?

Mr. **Wick**. You mean in another year?

Mr. **Smith**. Yes.

Mr. **Wick**. Well, there might be some. Willis Conover's jazz programs might repeat, but there is not that much cost with original content. A network on television spends anywhere from $500,000 to $700,000 on just a half-hour prime time show, spends well over $1 million on an hour.

Mr. **Silverman**. Mr. Chairman, one of the major purposes of modernization of the Voice was to upgrade not only the facilities but the programmings, so that the listeners would be attracted and stay there, stay with us. When all of this started, there were a lot of programs that were sent by tape to our overseas relay stations, and played and repeated that way.

What that did, of course, was make it almost impossible, especially given the antiquated equipment, for the Voice of America in Washington to break in with anything that was needed to update news or anything else. What we have done is we have pretty much brought all of that programming back to Washington, with the current technology, and obviously it will get even better. So that even if a program is repeated, and some of the material might very well be on the English broadcasts particularly because that is on for such a long period of time. But as the director suggested, it is not a material cost factor. What we are trying to——

Mr. **Smith**. Why isn't it? How do you get your original programming that you are talking about so cheaply?

Mr. SILVERMAN. Well, if it is produced on staff, it is not cheap.

Mr. SMITH. What is produced by staff?

Mr. WICK. We will use recorded entertainers. We have live entertainers. We play records and things like that.

Mr. SILVERMAN. The most popular program is the jazz program of Willis Conover, and of course he just plays records, and his own unique——

Mr. SMITH. Is it entertainment of live programs? I don't mean necessarily you. You go somewhere and tape it, don't you?

Mr. WICK. Very rarely.

Mr. SMITH. Is that right?

Mr. WICK. Yes, there is not much of that. We have a mobile unit. But we have too many problems with unions and all that, if we went and taped somebody. We don't do any material live at all. With Radio Marti we repeat programs.

Mr. BETANCOURT. Yes, we do.

Mr. WICK. Because we are on 17½ hours a day for that one station. For example, in Albania we broadcast an hour and a half a day; in Amharic an hour; in Arabic we broadcast 9½ hours a day to various areas of the world. I am sure that that is not all fresh. We use the same material in the Arabic, for example. In Armenian an hour and 15 minutes; Bengali, two hours others an hour; Chinese nine hours a day.

Mr. SMITH. You showed on your program here a while ago, entertainment in foreign countries, Americans in foreign countries.

Mr. WICK. Oh, the artistic ambassadors, yes. We have regional competitions around the country for young promising pianists, who intend to have a concert career, and the finalists we send over to different countries to perform. They stay in households and they play in small cities and that kind of thing, but that is not the Voice of America, that is part of our exchange program.

CENTRAL AMERICAN UNDERGRADUATE SCHOLARSHIP PROGRAM

Mr. SMITH. Now the Central American exchange program, we provided funds for a two-year program. Where is that now? Are we in the second year on it?

Mr. WICK. We brought 154 people over in January. They are under intensive English orientation, and their academic work will start this fall. You authorized 143. We have 154 in there to take care of attrition, and it looks very promising. We have a number of universities participating, 12. I don't know if you have ever heard of Iowa——

Mr. SMITH. Iowa State.

Mr. WICK. Iowa State was one of the low bidders among the 12, and they are picking up——

Mr. SMITH. They have a lot of foreign students.

Mr. WICK. They are picking up 35 percent of the cost at Iowa State, and others are also sharing.

Mr. SMITH. That will have another year to go, then?

Mr. BLITZ. Two years.

Mr. WICK. There will be another class of two years coming up.

Mr. SMITH. But what I am getting at is that we wanted to have a two-year program, then we wanted a report on how it was going. Now, when are we going to get that report?

Mr. BLITZ. We are evaluating it all along. We sent up some material from the initial reports, and the outside evaluators have been giving us material all along, so we have material evaluating it constantly from beginning to end.

Mr. SMITH. When will the first group have completed their——

Mr. BLITZ. Roughly two years from now. For most it is a 30-month program. For some it is not, so they will be completed about two years from now, the first group.

Mr. WICK. That doesn't answer your question, though, because we won't have a real evaluation until the end.

Mr. SMITH. Two years?

Mr. WICK. Although we do have a partial evaluation seeing how it is going and how the orientation went, what universities feel are prospects.

Mr. SILVERMAN. Mr. Chairman, when it got off to such a good start, we sent a letter to you and the committee explaining what had happened so far and the way the universities have reacted. We hoped you would agree that it is an extremely valuable program, and we put in the 1987 budget, and estimate of $4.8 million to bring in another group at the same level, not to expand it the way we had suggested doing it in last year's budget. Because the demand is so great, and momentum is so important in this, we were hopeful that we could bring in another sort of a pilot-level class, if you will.

Mr. WICK. However, I think that we should give you a report as to how the initial orientation goes. It is almost nine months.

Mr. SMITH. As you know, it was not easy for this subcommittee——

Mr. WICK. I know.

Mr. SMITH [continuing]. To approve even a portion of the request. There are a lot of people who think there are too many exchange programs already, we don't need a new one. There was a dispute as to how it should operate, the types of students that should be brought here, and whether we should send people down there to teach instead of bringing students to the United States—all these kinds of questions.

The only way that we got it approved was to say, well, we are going to have a two-year program, and then we are going to evaluate it and determine whether or not that is the right way to go. It is a pilot program, in other words, and so I don't know what the disposition of the subcommittee will be after we talk to the Members, but that is what was behind it—completing a pilot program before we go ahead.

Mr. BLITZ. Where we are right now on that, educationally, is that it is working out extremely well. We have excellent reports. Most of the students are really quite outstanding, and they are all doing quite well.

Mr. SMITH. Have they had some college before they came to the United States?

Mr. BLITZ. Yes, most of the students are upper division. They are juniors and seniors, and some of them are teachers.

Mr. SMITH. Will they get a degree here?

Mr. BLITZ. Yes. The undergraduates will complete their degree work here.

Mr. SMITH. Will the country they came from recognize the degree?

Mr. BLITZ. Absolutely so. We have cables from people, I have one I am holding from the Minister of Education from El Salvador arguing very strongly in favor of the continuing of the program——

Mr. SMITH. What about the other countries?

Mr. BLITZ [continuing]. And of its strength.

Mr. SMITH. Will they recognize the degrees they get here?

Mr. BLITZ. Yes, they will, because we have had outstanding cooperation from everybody in each one of these Central American countries.

Mr. SMITH. We were told at the time we approved this that most of these countries would not recognize the degrees.

Mr. BLITZ. Well, in terms of what we have now, we have had lots of outstanding cooperation from the various ministries there. We had roughly 20 applicants for each place in this program, so it has really taken off in terms of popular strength and popular opinion in these countries.

Mr. SMITH. What is your present estimated cost per student?

Mr. BLITZ. The estimated cost per student is roughly $30,000.

Mr. SMITH. For the two years?

Mr. BLITZ. Covering the whole 30-month period, so roughly $12,000 a year dividing it.

Mr. SMITH. Did some universities bid to pay a bigger share? You are talking about that as our Federal cost?

Mr. BLITZ. Yes, that is correct.

Mr. SMITH. Is that going to vary according to university?

Mr. BLITZ. The total amount of money that we give we estimated in terms of the program as a whole. There is lots of cost sharing in all of these programs. There is more in some than in others. Iowa State is a particularly high level of cost sharing, but obviously $12,000, roughly speaking, for the year, considering that that has to cover maintenance costs and other things as well, means that there is a lot of cost sharing involved in all of the programs.

Mr. SMITH. My question is, though, is the cost per student going to be much different at one university than it is at another university?

Mr. BLITZ. No, it is close to the same in each university. There are slight differences for maintenance allowances depending on the region where they are, but they are all roughly in the same range.

Mr. WICK. They had a bid on it, university bid.

Mr. SMITH. So they bid on it but some of them were obviously very high.

Mr. BLITZ. We looked at a number of factors in terms of deciding who would be best, and the cost factor was one of them.

Mr. SILVERMAN. There were 110 institutions that participated, that submitted proposals.

Mr. SMITH. Let's put in the record a list of the countries they came from, the institutions they are——

Mr. WICK. Attending.

Mr. SMITH. And the cost per student at each one.

Mr. WICK. And the cost-sharing factor of each institution?

Mr. SMITH. Yes, that would be all right. The bottom line is how much is it going to cost as far as we are concerned.

Mr. WICK. Yes.

[The information follows:]

INSERT: #1a - Testimony page 67

CENTRAL AMERICAN UNDERGRADUATE SCHOLARSHIP PROGRAM

PLACEMENT BY DISCIPLINE AND COUNTRY

Discipline	Costa Rica	El Salvador	Guatemala	Panama	Nicaragua	Honduras	Belize	Discipline Total
Business	11	--	3	11	2	--	1	28
Education	--	11	10	2	2	--	3	28
Social Sciences	8	8	5	--	--	--	2	23
Communication	--	2	7	1	--	--	--	10
National Sciences	3	2	1	2	--	--	4	12
Engineering	--	--	--	9	1	--	--	10
Nutrition	2	--	--	--	1	--	--	3
Teachers	--	--	--	--	--	30	10	40
Country Totals	24	23	26	25	6	30	20	154

INSERT: #1b - Testimony page 67

CENTRAL AMERICAN UNDERGRADUATE SCHOLARSHIP PROGRAM
Student Placement by University

University	Number of Students
St. Michael's College Winooski, VT	15
Indiana University of Pennsylvania Indiana, PA	16
Spring Hill College Mobile, AL	10
Louisiana States University Baton Rouge, LA	10
University of Arkanasas at Little Rock Little Rock, AR	10
University of Wisconsin at Eau Claire Eau Claire, WI	16
Iowa State University Ames, IO	15
Mankato State University Mankato, MI	10
Murray State University Murray, KY	10
University of Louisville Louisville, KY	15
Linfield College McMinnville, OR	12
University of Texas at El Paso El Paso, TX	15
TOTAL	154

INSERT: #1c - Testimony page 67

CAMPUS PROGRAM COSTS

INSTITUTION	USIA GRANT COSTS	UNIVERSITY COST SHARING	TOTAL COST	LENGTH PROGRAM (MONTHS)	#STUDENTS ENROLLED	USIA COST PER STUDENT MONTH
UNIVERSITY OF ARKANSAS AT LITTLE ROCK	$ 252,809	$ 112,021	$ 364,830	30	10	$ 842
INDIANA UNIVERSITY OF PA.	359,014	212,854	571,868	30	16	748
IOWA STATE UNIVERSITY	276,736	147,366	424,102	20	15	922
LINFIELD COLLEGE	361,110	87,400	448,510	30	12	1,003
UNIVERSITY OF LOUISVILLE	441,829	176,152	617,981	30	15	982
LOUISIANA STATE UNIVERSITY	354,250	104,811	459,061	30	10	1,181
MANKATO STATE UNIVERSITY	196,950	29,208	226,158	30	10	657
MURRAY STATE UNIVERSITY	173,406	42,099	215,505	18	10	963
SPRINGHILL COLLEGE	291,925	125,084	417,009	30	10	973
ST. MICHAEL'S COLLEGE	495,090	82,083	577,173	30	15	1,100
UNIVERSITY OF TEXAS AT EL PASO	302,318	133,915	436,233	20	15	1,008
UNIVERSITY OF WISCONSIN AT EAU CLAIRE	369,249	195,351	564,600	30	16	769

The average total cost per student per year is $14,920

The average total cost per student per month is $1,243

The average USIA cost per student per year is $11,068

The average USIA cost per student per month is $ 922

The total appropriation of $4,600,000, which includes selection costs, in-country costs, travel and other costs beyond the grants to the universities, for 154 students spending 30 months in school would average $11,948 per student per year.

Mr. SMITH. We have got a number of other questions, but I think we will sumit them for the record. Thank you very much.

Mr. WICK. Thank you very much, Mr. Chairman.

[The questions and the answers submitted thereto follows:]

QUESTIONS SUBMITTED FOR THE RECORD BY MR. SMITH

FY 1986 SUPPLEMENTAL

QUESTION:

Would you also explain why there is almost a $4 million increase over the FY 1986 request?

ANSWER:

Most of the increase is due to the rapid rise in the value of the German Mark. In March, 1985 the Mark stood at 3.25 to the dollar, while our present calculation is based on a DM exchange rate of 2.25 to one dollar. The remainder of the increase is due to additional equipment, recommended in an updated feasibility study completed last November.

QUESTION:

You are requesting $5,326,000 to implement the US/USSR Cultural accords signed in November 1985. Does this represent the total cost associated with the implementation of the accords?

ANSWER:

No. The $5,326,000 would provide initial funding in 1986 to open an American Consulate in Kiev and to implement exhibit and cultural activities called for under the US/USSR exchange agreement.

The 1986 supplemental request includes $3,961,513 for development and production costs of the traveling exhibitions, such as research, design, brochures, production of a special 70mm film, guide recruitment, travel related to preparing the exhibit, domestic shipping, procurement and miscellaneous A/V Production activities and ten new domestic positions to administer the exhibit program. Additional funds will be required in 1987 and 1988 to provide for fabrication of the exhibit, construction of the film theatre, partial brochure printing, guide and staff travel, salaries and operational costs for showings in nine Soviet cities. The total costs, including a nine-city tour of twenty eight showing days for each city, over the three fiscal years will be $18,186,600.

The 1986 supplemental request also includes $1,068,487 and three domestic positions for the first individuals and performing groups to undertake tours to several cities in the Soviet Union. The 1987 request includes $1,679,407 to continue these performing art presentations, and a similar amount will be required in fiscal year 1988 to fulfill the remaining schedule.

The 1986 supplemental would also provide $296,300 to open a Press and Cultural Center in Kiev and to provide additional staffing to manage the expanded exchange programs. The annual costs of these increases in 1987 and 1988 would total about $470,000.

While no additional funding is requested in 1986 to expand educational exchanges with the USSR, an increase of $1,155,000 is requested in 1987 to enhance these programs as outlined below.

QUESTION:

Are any funds being requested under the Educational and Cultural Exchange programs for this item?

ANSWER:

No funds are requested in the 1986 supplemental for educational exchanges. However, the 1987 budget request includes an increase of $1,155,000 to expand exchange programs in support of the US/USSR cultural accords. This funding will be used to enhance Academic exchanges ($900,000), International Visitor exchanges ($100,000), and exchanges in the Private Sector Program ($155,000).

QUESTION:

Do the accords provide for an exchange of scholars? Also, are there equal provisions for the type of scholar, i.e., generally in the past the USSR has sent scientists while the U.S. has been limited to historians.

ANSWER:

The General Agreement on exchanges between the U.S. and the USSR provides for the exchange of, among others, graduate students, researchers, and lecturers. The Program of Cooperation and Exchanges for the period 1986-88 provides for the exchange annually from each side of at least 50 researchers and 15 lecturers, as well as 60 person-months under the exchange between the American Council of Learned Societies and the Soviet Academy of Sciences.

The Agreement commits the two sides to a "mutually beneficial exchange in the various fields of natural and technical sciences, the humanities, and the social sciences." With respect to lecturers specifically, the Agreement provides that "both sides will attempt to include four lecturers on the languages and literatures of the sending side."

QUESTION:

How much is your fiscal year 1987 budget request for these items?

ANSWER:

As indicated above, the 1987 request includes $470,000 for the new post in Kiev and related staff increases, $7,081,170 for the exhibit showings, $1,679,407 for performing groups and individual performers, and $1,155,000 for educational exchanges.

QUESTION:

If the Congress should not approve your FY 1986 supplemental to begin these projects but should approve your going ahead with them in fiscal year 1987, are the amounts included in the FY 1987 budget sufficient to initiate these projects?

ANSWER:

No, they are not. For the exhibit showings, the amounts included in the FY 1986 supplemental are for different types of expenses and will permit accomplishment of programming over a three year period in accordance with an established schedule. The FY 1986 funding will provide for development and production costs, such as exhibit research, design, brochures, production of a special 70mm film, guide recruitment, travel related to preparing the exhibit, domestic shipping, procurement and miscellaneous A/V Production. The 1987 funding level provides for fabrication of the exhibit, construction of the film theatre, partial printing of brochures, guide and staff travel and salaries, international shipping and operation costs for the first three city showings.

If we began these projects in fiscal year 1987 rather than in fiscal year 1986, an additional $3,800,000 would be required in 1987. Such a delay would also make it impossible for us to accomplish the nine-city tour allowed in the exchange agreement which expires on December 31, 1988.

In the case of the Arts America Program, the FY 1986 supplemental will provide for about 20 percent of the programs stipulated in the agreement, which involves ten performing groups and ten individuals over a three year period. The FY 1987 request includes funds for about 40 percent of the scheduled programs. Failure to get the program started in FY 1986 would call for a severely compressed schedule. Our capacity to recruit and the capacity of the Soviet side to absorb a less optimum number of artistic programs would be inordinately strained. A delayed start would prevent the U. S. from making timely offerings and would jeopardize our ability to carry out the full schedule of performances provided in the agreement.

For the opening of Kiev, the supplemental includes start-up costs (educational, foreign transfer and temporary lodging allowances, household/office furniture, and appliances) which are not in the 1987 Agency budget request.

Educational exchanges, which are not scheduled to be expanded until 1987, would not be affected if the FY 1986 supplemental were not approved.

FY 1987 REQUEST

QUESTION:

You are also requesting an increase within the $4,961,399 for an increase in the Federal Building Fund Rental System charges levied by GSA. Is this amount related to an increase in space, or an increase in the rate?

ANSWER:

The increase of $4,961,399 in USIA's FY 1987 Congressional Budget request relates entirely to rate increases representing 27.3% in total Federal Building Fund Rental System charges for domestic office and specialized space over FY 1986 estimates. These increases cover the following locations: Health and Human Services - North Building, $3,839,672; Health and Human Services - South Building, $392,292; Patrick Henry Building, $286,154; Auditors Building, $124,500; and all other net increases, $318,781.

QUESTION:

You are also requesting an increase of $900,000 for the cost of a satellite contract to provide a strong, clear FM stereo signal for Radio in the American Sector (RIAS). How much of an improvement in reception would this system make? Would listeners in East Germany be able to receive the signal clearly without any interference or is jamming by the East German Government a possibility?

ANSWER:

The signal improvement for which funding is requested would put RIAS in the forefront of broadcast technology. RIAS radio transmissions via TVSAT would reach the entire German Democratic Republic (GDR). The signal would have the approximate quality of digital disk recording, and could be received with a 30 centimeter parabolic antenna. These satellite transmissions would not be subject to jamming. (The GDR has not jammed RIAS since it became a member of the ITU in 1979.)

INCREASE DUE TO NON-AVAILABILITY OF PRIOR YEAR BALANCES

QUESTION:

You are also proposing an increase of $9,146,441 as a result of a decrease in prior-year balances available for application to programs in 1987. What are the details of this reduction in prior year balances?

ANSWER:

Balances carried forward from 1985 that are available for application to our program in 1986 total $9,146,441. This includes:

-- Balances from funds appropriated to the Agency's Special Foreign Currency account in 1985 and previous years totalling $2,966,824. This account was merged with the regular Salaries and Expenses dollar and Educational and Cultural Exchange Programs accounts in 1986. The remaining balances available from prior-year appropriations, totaling $2,966,824, are being utilized in 1986 to fund part of the regular overseas missions, Voice of America, and other program activities in Burma, Guinea, Pakistan, and Poland. Requirements for these programs in excess of the available prior-year balances are funded in the 1986 regular S&E dollar account. Since these balances will not be available to help finance program activities in 1987, an appropriation of a like amount is needed to keep these activities funded at the 1986 level.

-- Balances from funds appropriated in 1985 and previous years for Special International Exhibitions overseas. These funds, which the Congress has designated as available until expended, total $6,179,617, and would be fully utilized in 1986 for U. S. participation in international expositions, including Brisbane, solo exhibitions in Eastern Europe, and other special international exhibition programs. Since these balances will be exhausted in 1986, new appropriations will be required in 1987 to maintain these activities at the current level.

VOICE OF AMERICA PROGRAMMING

QUESTION:

VOA plans to broadcast 1,205 hours in English and 41 foreign languages in 1987. Does this represent the maximum capacity in terms of broadcast hours or transmitter time? How much of your broadcast time is devoted to repeat broadcasting?

ANSWER:

About 21 per cent of the 1,205 hours currently broadcast each week (and projected for 1987) is repeat programming (repeat programming totals 254 hours week, originations 950 3/4 hours, for a total of 1204 3/4 hours). With the exception of a single half-hour program on the Bangkok medium wave, VOA no longer repeats entire broadcasts from its studios or the relay stations as it did a decade ago. Today, each and every newscast is delivered "live" so that we may interrupt for a bulletin or update any individual news story to keep listeners up-to-the-minute on breaking news stories. VOA broadcasters are there, as well, to give us the flexibility to alter other scheduled programming if news events warrant it. Beyond the news, some reports, features or programs may be repeated primarily because the information conveyed is reaching different audiences, for example:

* Audiences in different world areas. Feature segments of VOA English's MORNING broadcast are directed first to East Asia, then in turn to South Asia, the Middle East, Europe and Africa.

* Audiences in different time zones. A Russian feature may be transmitted at 1210 UTC for listeners in Novosibirsk (7:10 p.m. their time) again at 1510 for the Moscow audience at 6:10 p. m. in the Soviet capital, and once again at 1010 UTC for listeners in Vladivostok tuning in at 8:10 P.M.

* Audiences at different times or days. Important reports, features, or programs (updated as required) may be repeated on different days or during different broadcast cycles -- reaching morning listeners during one transmission, mid-day or evening listeners on the other.

As of April 1, VOA was on the air 1,036 3/4 hours weekly (excluding Radio Marti and VOA-Europe). VOA currently has the technical capacity to add about 40 hours to the weekly program schedule. These additions would correct schedule deficiencies in a number of languages under NSC standards: English to the Americas (21 hours weekly in a strategic area where VOA has no morning transmissions in the U. S. mother tongue), Spanish to the Americas (seven hours weekly), and Burmese, Khmer and Lao (three and a half hours each weekly). Addition of these broadcast hours would use VOA's existing transmitters to near capacity. When construction of additional facilities is completed under the long-range $1.3 billion modernization program mandated earlier by the Congress and the Administration, VOA will be able to add an additional 75 1/4 hours weekly of programming to meet minimum NSC-required international broadcast standards.

QUESTION:

How much of VOA's available transmitter time is leased to other organizations and what are they? What control does VOA have over program content by other organizations which use its facilities? Are other users of VOA transmitters billed for the actual cost?

ANSWER:

The only organization currently leasing VOA transmitter time is the U.S. Armed Forces Radio and Television Service (AFRTS). In FY 1985, AFRTS paid USIA $974,860 for leased time totalling 47,716 transmitter hours. A new contract for FY 1986 is still being discussed. This contract calls for AFRTS to reimburse USIA $2,800,000 for the lease of 49,000 transmitter hours. The rates charged AFRTS are lower than VOA would require from a non-U.S. government organization. These were re-calculated last year to reflect an actual cost basis. Until last year United Nations radio also leased time on VOA transmitters. The UN ceased leasing the transmitters in December 1985 when the substantial rate increase based on the new formula was announced. VOA does not control the program content of other organizations which lease its facilities, nor does it permit editorial control of its own programming by others leasing facilities to it.

QUESTION:

Your justifications indicate that VOA Europe is broadcasting 168 hours in English a week to Western Europe. Why are all VOA Europe broadcasts in English?

ANSWER:

VOA Europe is a broadcast service targeted to the entire "successor generation" of Western Europe. Among these young people, English is a dominant second language. As such, it is the one common denominator tying together listeners in such disparate areas as, for instance, Germany, Spain, the United Kingdom and Belgium. In addition, virtually all of the successor generation citizens of the Netherlands, Sweden, Norway and Denmark are fluent in English. VOA Europe's research indicates that high percentages of potential listeners in virtually every Western European country understand enough English to understand and appreciate VOA Europe's "American Style" radio approach. It has been VOA Europe's basic strategy to begin with English as a prototype, and then to expand into the vernacular languages in subsequent years.

QUESTION:

Are there plans to add other languages?

ANSWER:

Central to the VOA Europe concept is broadcasting in the major vernacular European languages, in addition to English. As funding is made available, VOA plans to establish these vernacular language operations to include German, Italian, Spanish and French.

QUESTION:

Why is it necessary to be on the air 24 hours a day with these broadcasts?

ANSWER:

VOA Europe is an over-the-air service, competing for listeners among the proliferation of AM and FM stations available to the European audience. As a "full-service" station, attempting to become the station of choice for its listeners for news and information as well as for entertainment, it is necessary that it be a dependable 24-hour source, available to the listener at all times. VOA Europe's research indicates this is a very high requirement if the station is to gain and keep listener loyalty. Potential listeners rate the importance of 24 hour-service behind only the need to broadcast on FM and in stereo, in choosing a station.

REGIONAL OPERATIONS

QUESTION:

The justifications for regional operations suggest a pattern of status quo each year for each post. How often do you perform a detailed assessment to determine if post needs for staff and dollars are realistic in terms of U. S. priorities for a given country and availability of resources?

ANSWER:

Through an annual planning process, the Agency and all of its overseas posts review and identify priority policy issues and significant educational/cultural concerns to integrate the many elements of a total USIA program. Based on U. S. national interests, policy priorities, mission goals, and past activities, the posts determine the key issues and concerns that should be addressed in the upcoming year. The Area Director and P Bureau review, modify as necessary, and then finalize the post plan. Washington support elements then develop programs and products to respond to these post needs.

Prior to the start of each fiscal year, the Office of the Comptroller calculates the "Going Rate" for each post's general operating expenses -- the amount that will be needed in the upcoming year to continue current program and staff levels. Subsequently, we consider making discretionary adjustments to these levels to respond to the changing priorities that have been identified in the annual planning process. Each Area Director in Washington is responsible for management of all USIA resources utilized in the Area and for an ongoing definition of area-related objectives, based on a rigorous analysis of U. S. multilateral and bilateral issues with the region. The Area Directors and their staffs travel to the overseas posts to carry out these responsibilities and to exercise oversight of post operations. In addition, the Office of the Inspector General inspects each post about once every three years to assess the effectiveness of post operations and resource utilization.

While most overall post program operations are usually maintained at current levels in any given year, funds are periodically reprogrammed through the processes outlined above to meet important post needs and to address changing U. S. foreign policy priorities. Individual posts also adjust the mix of their own program resources on a regular basis to meet changing program priorities.

QUESTION:

Could some of the posts in areas such as Africa serve more than one country?

ANSWER:

Regionalizing post operations is a tempting but elusive option for conducting USIS programs in Africa. The experience of the Office of African Affairs has been that, when regionalization has been tried, invariably there has been a degradation in the quality and effectiveness of USIS programming.

One big problem has been the maintenance of contacts with key target audiences. The success of USIS programs depends heavily on the quality and variety of contacts that a post develops over a long period of time. Sustained timely contact by the USIS officers is a must in carrying out information and cultural programs. The vagaries of communication in Africa make long distance programming almost impossible.

We have also found that close supervision of foreign national employees is essential to the proper functioning of our operations in Africa. Without such supervision, our operations rapidly decline.

QUESTION:

The budget justifications indicate that you have assigned 119 positions for Pakistan. Are any of these positions designated to handle Afghanistan issues?

ANSWER:

No positions in Pakistan are specifically designated to handle Afghanistan issues. However, our very experienced Peshawar Branch PAO has been devoting almost all his time to Afghan concerns. In Islamabad, the country capital, the headquarters staff devotes, according to our best estimates, about 20 percent of their work time to Afghanistan.

QUESTION:

Since you do not have a post in Afghanistan, how do you articulate U.S. policy to promote mutual understanding?

ANSWER:

Although we have no posts in Afghanistan, we do carry on a worldwide program addressing the Afghanistan issue.

First, we have staffed up the Agency headquarters support staff to deal with Afghanistan on a priority basis. We have assigned a highly experienced Foreign Service Officer, who served in Afghanistan just prior to the Soviet invasion, as a full time coordinating officer for all efforts; and we moved ahead quickly with the Congressionally mandated Afghan media project, creating a special multi-person task force to insure the proper handling of this most important project.

Other Agency elements are also involved. As in previous years, we organized a special effort to focus on Afghanistan in connection with the December 26th Anniversary of the Soviet invasion. Our efforts included the following work in the field and at headquarters:

-- An outstanding 30-minute production, "A Fire in the Land," was created by our Television Service.

-- During the year, several series of television "Satellite File" clips were prepared for worldwide release - tailored for overseas television programming.

-- Our TV Satellite File also produced a special item featuring Jim Lindelof, an emergency medical technician at the UCLA Medical Center, who spent three months working with the freedom fighters in Afghanistan.

-- We sent AmParts (American speakers) overseas to talk on Afghanistan. Zalmay Khalilzad, Assistant Professor of Political Science at Columbia University, spoke on "The Soviet Union and Afghanistan" in Egypt and Saudi Arabia. And Thomas Gouttierre, Director of International Studies and Programs at the University of Nebraska, spoke in Pakistan and Saudi Arabia on "The Afghan Issue."

-- We organized "Electronic Dialogues" and "WORLDNETS" which served special USIS needs in diverse nations. Former U.N. Ambassador Jeane Kirkpatrick used WORLDNET to speak on Afghan Human Rights violations to participants in Bonn, Geneva, London, Oslo, Paris, Rome and The Hague. Robert Bell, A.I.D.'s Deputy Director for the Asia and Near East Bureau, talked with delegates at The European Relief Committee meeting in London, describing U.S. emergency food relief and other agricultural aid for the Afghan refugees.

-- Satellite speakers included Christian Science Monitor Correspondent Edward Giradet, utilized for an electronic dialogue to Turkey; and Dean Theodore Eliot, formerly of the of the Fletcher School, who, in several electronic dialogues, communicated with USIA's contacts in Austria, Colombia, Egypt, and the United Arab Emirates. Other satellite speakers included Thomas Goutierre of Nebraska's Afghan Center, Senator Gordon Humphrey (R-NH), Deputy Assistant Secretary of State Arnold Raphel, and Professor Zalmay Khalilzad of Columbia University.

-- Our Washington and New York Press Centers arranged special briefings for both government and private sector authorities on the Afghan situation.

-- The Voice of America broadcast worldwide a taped statement by President Reagan from his recent radio talk devoted to Afghanistan. VOA also produced a 30 minute dramatized history of the events leading up to the Soviet invasion. This was carried on our English and regional language broadcasts; the VOA Russian Service produced numerous items for broadcast in the various Soviet Union languages.

-- Throughout the year, VOA carried some 20 editorials on the Afghan situation.

-- We have also made available - worldwide -- a large quantity of print items. This included a pamphlet on Afghanistan: "Afghan Chronology - the Sixth Year."

-- We produced regular updates of the Chronology in the Wireless File, plus news stories and articles based on diplomatic "situation reports" from New Delhi. We also covered public forums and academic conferences about Afghanistan.

-- We distributed to our posts overseas the book, "Afghanistan, The Soviet War," by Edward Girardet, well-known correspondent of the Christian Science Monitor.

-- Where possible, we have used material from other reliable sources. For instance, we have distributed -- worldwide -- recent stories from the U.S. News and World Report, The Washington Post, The Christian Science Monitor, The Montreal Gazette, The Washington Times, and the Baltimore Sun.

-- During the last year, the Agency, through the Wireless File and USINFO, distributed a total of some 508 items on Afghanistan.

Our field reports indicate our efforts have met with a recognizable success and have helped keep the tragic events of Afghanistan in the public eye. We have had an effect: the State Department tells us that before the Voice of America gave wide play concerning disaffected Soviet soldiers, the internal Soviet media had never admitted to their domestic audience that there were Soviet soldiers cooperating with the Mujahiddeen and defecting to Europe and the U.S. It is important to U.S. interests that the Afghan War be publicized, and we plan to continue to bring out the facts about it.

QUESTION:

What action have you taken during the last year to expand your activities in South Africa and have these activities encountered any resistance from the South African government?

ANSWER:

The International Visitor and Fulbright student programs are the backbone of USIA's exchange operations in South Africa. In a regular programming year USIA will bring a total of 60 South Africans to the U.S on 30-day programs specially designed to accommodate the visitors' professional interests, and 75 South African students will receive Fulbright grants for post-graduate study in the U.S.

In addition to these regular programs, USIA has launched a new series of exchange initiatives for South Africa for FY 86. Through our Academic Specialist program, eight to ten American professors will spend from six weeks to two months working in South African educational institutions which welcome disadvantaged students. Ten black South African journalists will be placed with U.S. newspapers for a six month training/internship program. In July of this year five black South African law school graduates will begin a one year program at Georgetown Law School leading to a Master of Law degree. Twenty-five black South African teachers will attend a special summer institute in the U.S. aimed at upgrading their English language teaching skills. USIS officers are working informally with several U.S. universities in an attempt to establish linkages with South African universities. USIA will be presenting core library collections and English teaching materials to black South African universities and teacher training colleges.

Finally, USIA is increasing its information and outreach activities in the Eastern Cape and Natal, upgrading its reading room in Soweto, establishing a Cultural Center in Pretoria, and adding two Foreign Service Officers and three Foreign National Employees to its USIS South Africa staff.

To date, none of these expanded activities have encountered any resistance from the South African Government.

TRAVEL COSTS

QUESTION:

The budget justifications indicate that your home leave transfer and related costs for FY 1987 will be about $8.5 million. Is this amount based upon an increase in the length of a standard tour of two to three years?

ANSWER:

The amount of home leave transfer and related costs for FY 87 is based on our present tour of duty which is outlined below.

The U.S. Information Agency has a foreign service officer and staff corps of over 1,300. Of this number, two-thirds are currently in overseas assignments. All posts overseas are categorized as non-hardship, hardship and greater hardship. These categories are determined on the basis of the exposure of foreign service officers and their families to terrorism, war, political instability, hazardous health conditions, extreme climate, isolation or lack of minimum educational or recreational facilities. Posts are reviewed annually and classifications are changed as conditions warrant.

Non-hardship assignments consist of a four-year tour of duty with a period of Stateside "home leave" and consultation in mid-tour. Hardship assignments, in Eastern Europe, or in developing countries and various isolated locations, consist of a three-year tour with no provision for home leave unless an officer opts to extend an additional year. Greater hardship tours, where there are considerable health hazards or where military action or terrorism exist, are two years with no home leave unless the incumbent extends for a year in which case leave is authorized at mid-point in the tour.

QUESTION:

What do you expect the impact of such a change would be on staffing for hardship posts?

ANSWER:

USIA has 65 Greater Hardship posts (30%) out of 217 posts. Only 135 positions (18%) out of 736 positions are Greater Hardship.

The conditions of service among our three categories of posts are sufficiently different to warrant the recognition we give it in the assignment process. There is a consensus among members of the Foreign Service that the present 2/3/4 ratio is fair -- that we shouldn't try to extract more than 2 years service under the most severe conditions. There are relatively few officers who are prepared to ask their families to spend more than two years in a difficult post. If the minimum tour length were increased, those at the most difficult posts would bear the brunt of the changed policy.

Psychologically, our two-year tours with an option to extend to three are better. Last year, of 75 individuals finishing greater hardship assignments, 22 (29%) agreed to extend at least six months and, of these 22, half requested a full year's extension.

Current policy fills the Agency's need for stable assignments, development of career skills within its staff, filling of difficult and dangerous posts, and the retention in the service of highly skilled professionals in an era of increasing terrorism.

PROGRAM COORDINATION, PRODUCTION, AND SUPPORT

QUESTION:

The justifications state that your Media Reaction Staff provides daily reports on foreign media reaction to top U.S. Government officials. How many employees do you have allocated to this function, what is the cost of this effort, and how does this effort differ from the reports by other U.S. Government organizations?

ANSWER:

USIA has seven full-time employees and one part-time employee allocated to this function. The cost of this effort is $318,659. USIA's foreign media reaction reporting function derives from the third task enumerated in the President's statement of the Agency's mission (Memorandum of March 13, 1978): "To help ensure that our Government adequately understands foreign public opinion for...policy-making purposes." This effort differs markedly from other U.S. Government organizations known to us, particularly the Foreign Broadcast Information Service.

USIA's media reaction reports focus on key foreign policy issues to which overseas posts are alerted by way of a weekly watch list and telegrams to all principal posts. Topics are selected largely from listings on the National Security Affairs Calendar and suggestions made by USIA and State Department policy officers. USIA foreign media reaction reports are not a haphazard selection of translated texts taken principally from wire services, official speeches and statements. Rather they present media reaction: block quotes from major electronic media and several important, mainline, or quality newspapers on the same subject. These reports are concentrated on key foreign policy issues rather than a random, scattered potpourri of articles.

The outstanding feature of USIA media reaction reporting is that it specializes in what foreign media said "today" about U.S. foreign policy. It concentrates on current comment and makes every effort to see that readers receive "today's report today." Other U.S. Government organizations' media reports may be given "today's date" but actually consist of materials going back several days in time.

By 7 a.m. the Media Reaction Staff produces The Early Report giving a summary, sample headlines and block quotes on two or three top policy issues taken from newspapers and TV and radio broadcasts in key West European, Middle Eastern and Asia countries. No other U.S. Government agency performs this function at this hour. This report of seven or eight pages is used by the USIA Director in briefing the Secretary of State's 8:45 staff meeting. Copies are sent by messenger to the Crisis Management Center at the White House.

QUESTION:

USIA recruits American speakers to explain U.S. policies and society to overseas audiences. How much of your request is allocated to this function?

ANSWER:

The 1987 request includes $2,761,712 to fund speakers, including those via electronic media, who explain U.S. policies and society to overseas audiences.

QUESTION:

Who selects these speakers and what assurance can you give us that the speakers represent the broad spectrum of views regarding U.S. policies and society?

ANSWER:

The field posts identify specific topics and issues which they want to address with a speaker. The Program Development Officers in the Office of Program Coordination and Development select and recruit qualified speakers with the appropriate, up-to-date expertise to fulfill the requests. Political affiliation is not a consideration.

The wide range of topics addressed, from economics and trade, to foreign affairs and U.S. society and domestic politics help assure that a broad spectrum of views regarding U.S. policies and society is represented.

Among the speakers who participated in our programs in Fiscal Year 1985 were personalities as diverse as Dr. Carlton Turner, Dorothy Ridings, Ben Wattenberg, Hernan Padilla, Senator William Roth, Senator Gary Hart, Jeane Kirkpatrick, Zbigniew Brzezinski, Alice Rivlin, and George Foreman. So far in Fiscal Year 1986 we have programmed individuals such as Dr. Franco Modigliani, Andrew Young, David Emery, Major League Baseball stars Gary Carter and Nolan Ryan, Coretta Scott King, Beryl Sprinkel, and Stevie Wonder.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

PROGRAM INCREASE

QUESTION:

You are requesting a program increase of $9,362,322 for FY 1987 for your exchange programs. You state that this increase will accomplish the mandate to double the 1982 exchange program level. What was the level of exchanges and the dollars spent on this activity in 1982 and what will the amounts be for FY 1987?

ANSWER:

The funding levels for exchange programs subject to the mandate of doubling in real dollars and the number of individual grants awarded are:

	FY-82 Actual		FY-87 Estimate	
	Grants	Funds (000)	Grants	Funds (000)
Academic	3,821	$41,885	6,472	$106,059
International Visitor	1,690	17,984	3,015	41,691
Humphrey Fellowship	92	2,322	165	5,479

Attached is a table showing the doubling effect from 1982 through 1987 by year.

QUESTION:

How much of this increase will be for new programs, i.e.. a South African exchange for disadvantaged students and exchange activities supporting celebration of the Bicentennial of the U.S. Constitution?

ANSWER:

Of the $9,362,222 requested for enhancements in FY-87, $3,600,000 is for new programs including activities supporting the celebration of the Bicentennial of the U.S. Constitution ($2,600,000) and an exchange of professionals from the "Newly Industrializing Countries" ($1,000,000). The remaining $5,762,222 will be used to expand current activities, including exchanges with South Africa ($700,000); activities relating to secondary school education, particularly exchanges of secondary school teachers between the United States and the developing countries in Africa, Latin America and Asia ($500,000), exchanges of education officials for consultation and coordination on secondary education issues, under the International Education Development Program ($500,000), and additional American studies summer institutes for foreign secondary educators ($720,000); exchanges with the USSR ($1,155,000); an increase in the number of short-term grants to Americans to consult abroad with foreign counterparts at the request of U.S. embassies ($140,000); university-to-university linkages ($800,000); an increase in the number of Humphrey Fellowships ($382,000); an increase in grants for U.S. graduate students to study abroad ($865,222).

CENTRAL AMERICAN SCHOLARSHIP PROGRAM

QUESTION:

I received a letter from you dated March 11 in which you indicated there were funds in the 1987 budget request for a second group of 154 students. I thought that the initial funding was for a two year period and would cover the 1985-1986 academic year and the 1986-1987 academic year. If that is the case, why are you requesting additional funds in the FY-87 budget and how much is included for this program?

ANSWER:

The initial funding for the Central American Undergraduate Program covers all costs for the first group of 154 students who arrived in January, 1986 through their entire stay in the U.S. The last of the students will leave in June, 1988. The FY-87 request for $4,793,200 is for 154 new undergraduate scholarships and if approved by the Congress, would cover the entire cost of a 30-month program for these grantees. These students would leave in June 1989. The amount would fund selection costs, travel, intensive English training, tuition, clothing and book allowances, student counseling and monitoring, and monthly stipends for the entire time the students are in the U.S. The FY-87 request does not include any costs associated with the first group of students.

The U.S. Information Agency's program of undergraduate scholarships for Central America (CAMPUS) has been the subject of much attention and discussion since it was first proposed in the FY 1985 budget. The Agency has set out a careful and detailed plan to implement the program.

CAMPUS was designed as a direct response to the Kissinger Commission's recommendation on educational programs for Central America. The Commission recommended that undergraduate study opportunities be provided on an urgent basis for promising disadvantaged students who have shown potential to achieve leadership roles in educational, cultural, and civic affairs. The Agency's pilot effort is an innovative response to the Kissinger Report's challenge.

A total of 154 students from seven Central American countries arrived in the U.S. on January 13. This total took into account a potential drop-out factor to ensure that the number of students authorized - 143 - complete the two-year program. Funding was provided in the FY 1985 appropriation, but with Congressional approval, it was obligated this year. The students are clustered on twelve U.S. campuses, to promote group support and to provide them with special attention.

Competition among students for CAMPUS grants in the seven countries was vigorous. In addition to meeting the economic needs criteria established for each country, each student was required to show evidence of superior motivation, and all have excellent records of academic achievement. The students' scores on the Spanish language version of the Scholastic Aptitude Test were higher than the scores of Latin American students who gain direct admission to U.S. universities.

Competition among U.S. universities to host the students was equally intense. Many of the 109 universities who bid on CAMPUS submitted strong proposals. "Cost sharing" was one of the criteria established to judge university commitment to the program, and the Agency was gratified at the level of commitment universities were prepared to make. Iowa State University, for example, is contributing 35% of the total costs of its CAMPUS program.

The ultimate goal of our program is to help CAMPUS students become productive members of their own societies. To help assure that outcome, we have contracted with Development Associates, a management consulting firm with substantial experience both in Central America and in program evaluation, to conduct an ongoing evaluation of CAMPUS. This will permit us to make mid-course corrections in the program, should they be necessary. It will also enable us to focus the cultural enrichment and the re-entry orientation portions of the program, which are part of the basic design, on specific student needs and concerns.

Our posts in Central America are also confident that we can achieve the goals we have set. They are unanimous as well as vociferous in the view that CAMPUS should continue uninterrupted. They point, for example, to the overwhelmingly positive public reaction to CAMPUS, which could be dissipated by a hiatus in the program. The current situation in Central America, which presents a serious challenge to U.S. efforts to promote democracy and economic development in the region, compels us to try to extend the CAMPUS program to other students without delay. The selection process for next year should begin in April, 1986.

For these reasons, we have included funds in our 1987 budget request for a second group of 154 students. While there is a strong interest in bringing an even larger group to the U.S., budget stringencies and the recognized need to move carefully have led us to keep this group at the same size as the first.

QUESTION:

You awarded a large number of grants in the $200,000-$500,000 range to colleges and universities which were generally first-time participants in your programs. What steps have you taken to insure that these institutions could handle the large grants?

a. Were these grants awarded in the same manner as the regular exchange program grants, and, if not, why was a different process used?

ANSWER:

Even though the majority of these institutions were first-time participants in Bureau programs, they are experienced in handling large grants for the U.S. Government and from private sources. Nonetheless, the Agency adopted several precautionary measures. First, the Agency insisted that all grant applications include a signed statement of support from each university's president as well as a signed budget from the chief financial officer. Agency staff was in frequent consultation with the program and budget officers at all twelve institutions concerning the design of the program and the procedures for the administration of grants.

In September, 1985, the Agency convened a meeting of Project Directors from those schools which were selected to host the first Central American undergraduate scholarship students. At that time, the Agency described the process by which the students were being selected, outlined the Agency's monitoring and reporting procedures and discussed the universities' responsibilities toward the students. Each school sent a representative to Miami for the orientation program upon the students' arrival in January, 1986.

In March, 1986, Agency staff began visiting individual campuses to meet with university administration, the students' faculty advisors, admissions officers, the intensive English teachers and the students themselves. The purpose is to assess how well the students have adjusted to their new environment and their progress in mastering English as well as to monitor the universities' response to problems which have arisen. These campus visits will be completed in early April. The Agency plans a second round of visits in September-October, 1986 to assess the students' transition to their regular academic programs. In addition, the Agency requires regular program and financial reports from the universities and is in constant phone and letter contact with individual program directors.

Formal evaluation was built into the design of the CAMPUS Program. To assist in its evaluation efforts, USIA has contracted with Development Associates, of Arlington, Virginia, a sixteen-year old management consulting firm with substantial experience both in Central America and in program evaluation. The firm will provide quarterly reports over the length of the program and periodic special reports on key features, such as academic and English language programs, logistics, support services, and enrichment activities. Development Associates has already filed a preliminary report on the students' orientation in Miami. These reports will be used for ongoing program fine-tuning as well as for retrospective analysis and program redesign as appropriate.

a. Every proposal was reviewed in the same manner as regular exchange program grants although the criteria were specific for this particular program. In response to the Request for Proposals published in the Federal Register, 110 proposals were received. Each was submitted to a review committee which evaluated every proposal against standard criteria such as experience with foreign undergraduate students, cultural enhancement activities such as homestays with American families, the caliber of the intensive English language program and cost-sharing.

NON-RECURRING COSTS

QUESTION:

Your budget request reflects a decrease of $4,330,500 for non-recurring costs associated with 1986 activities. What are these activities, and why don't you need money for them in fiscal year 1987?

ANSWER:

This decrease represents 1986 costs of special Educational and Cultural Exchange Programs that are funded for 1986 only. These include the International Games for the Handicapped held in the United States ($2,500,000); unobligated balances carried into 1986 for the Eisenhower Exchange Fellowship Program ($830,500); the Afghan independent media service project ($500,000); and the Chinese-American Development Student Exchange Program at Tufts University ($500,000). Since these programs are funded for 1986 only, we have displayed these funds as non-recurring in 1987.

ACADEMIC EXCHANGES

QUESTION:

USIA has had a substantial increase in funding of its exchange programs over the past few years. What steps have you taken to effectively monitor these funds?

a. Havê you been able to obtain financial audits to be sure the funds are spent in accordance with the grant terms?

ANSWER:

The exchange program is monitored annually through the country review process. The proposals or country plans which USIA posts/Fulbright commissions prepare each year for the exchange program they would like to have for the following academic year are analyzed, initially, by the Academic Exchange Programs Division. They are then reviewed by a committee made up of staff of other elements of the E Bureau as well as the Area offices. Through this process, each country's exchange program is analyzed for the successes (or failures) of the past as well as for the plans they have for the future.
In addition, the budgets proposed by the cooperating agencies which assist with the implementation of the traditional categories of the Fulbright Program are reviewed, annually, by a Senior Management Panel of the E Bureau before cooperative agreements are made with these agencies. Grants to private institutions which assist with exchanges which complement the traditional categories of exchanges or support E Bureau initiatives are reviewed by the E Bureau's Grants Review Committee before they are funded.

Formal evaluations have been undertaken of the Humphrey North-South Fellowship Program and the Salzburg Seminar. The Agency's Inspector General's Office has conducted audits of the American Council on Education/Council on International Exchange of Scholars (CIES) as well as an audit of the grants monitoring process of the E Bureau. Periodic Agency fiscal audits are conducted of the organizations who have grants. At present an evalution is being planned of CIES' program implementation.

a. Each grant organization is required to submit to the Agency periodic financial statements which itemize expenditures. The Agency also requires each grant organization to submit copies of its annual audit conducted by an independent certified public accounting firm, and the financial records are audited periodically by either the Agency's audit staff or the audit staff of the cognizant government agency.

QUESTION:

The justifications indicate that a higher number of individual academic grants are awarded in Western Europe than other regions. What is the reason for this?

ANSWER:

There is considerable cost-sharing by European Fulbright Commissions for the funding of grants under the Fulbright Program, which makes possible a higher number of grants awarded for Western Europe. Cost sharing takes several forms: it may be direct contribution by the foreign government; it may be waivers of academic fees at the European university; or it may be other in-kind contributions by the host country government or academic institution. This reduces the average cost of the grant and allows for a larger number of grants than may be possible in other world areas.

A number of Fulbright grants to Western Europe are "travel only" which means the Fulbright program pays the travel costs and either the grantee or another organization pays the other costs.

A good example of cost-sharing is the Spanish program where two of Spain's largest banks, the Bank of Bilbao and La CAIXA and three ministries of the Spanish Government pay part of the cost of exchanges. The total number of grants generated by these programs is 300 per year.

QUESTION:

Why is the average academic grant for all other regions so much higher than for Western Europe?

ANSWER:

Cost-sharing plays a part in the fact that the average Fulbright grant to Western Europe is lower than to other regions of the world. European Commissions contribute more funding to the program than do commissions in any other region of the world. This means not only direct support for grants to U.S. Fulbrighters but also in-kind contributions, as mentioned in the last answer, such as waiver of academic fees, housing, etc. In addition, the cost of living, of housing and transportation can be many times higher in a country in West Africa than in Europe. The cost of living has to be taken into account when calculating the amount of a grant and if it is high in a given world area, the grant has to reflect that fact.

Amount Required to Double 1982 Exchange Program Level
Compared to Amounts Actually Spent or Estimated through Fiscal Year 1987

(Funds in thousands)

	1982 Actual	1983 Actual	1984 Actual	1985 Actual	1986 Estimate	1987 Estimate
Obligations for Exchange Programs Subject to Doubling Mandate:						
Fulbright and other academic programs...	$41,885	$48,789	$59,804	$ 77,784	$ 93,977	$106,059
International visitor programs..........	17,984	25,296	29,085	34,104	39,423	41,691
Humphrey Fellowships...................	2,322	2,890	3,806	4,397	4,892	5,479
Total..............................	62,191	76,975	92,695	116,285	138,292	153,229
Calculation of Amount Required to Double 1982 Program Level:						
Doubled 1982 Base Level, Inflated.......	124,382	128,610	133,112	137,105	141,492	147,435
Inflation Factors (GNP Deflator)........	--	1.034	1.035	1.030	1.032	1.042
Per Cent of Doubling Target Reached......	--	52.2%	62.9%	78.9%	93.8%	1.039%

QUESTION

How much of the program cost is for direct support of the grantees and how much of the cost is for program administration by government agencies or by private organizations.

ANSWER:

In 1985, of a budget of $72 million for academic exchanges, administrative costs amounted to approximately $10.5 million.

QUESTION:

How many private organizations are used to assist USIA in administering the exchange program and what are the reasons for using these organizations rather than government agencies?

a. What services do the private organizations provide?

b. How many of the private organizations are 100 percent government funded?

c. Are the private organization's performance formally evaluated before renewal of their grants?

d. What alternatives can be developed within the current budget to reduce administrative costs to make more funds available to increase the number of grantees and the direct support to the grantees?

ANSWER:

In FY 1985 the Bureau of Educational and Cultural Affairs used six primary organizations to administer the majority of the Fulbright exchanges, as well as 70 other organizations to administer specific special programs which support the objectives of the Fulbright academic program. The organizations are used because of their special knowledge and expertise in international academic exchanges, or expertise in a specific area of the world or study. Other Government agencies do not have the background in arranging exchanges, nor do they have the personnel to conduct recruitment, placement, and the administrative duties necessary for the program. For the Agency to conduct the work done by the six primary organizations would require at least 190 additional personnel.

a. The private organizations, among other duties, assist with the Fulbright Program administration by: organizing selection committees; securing university placement for foreign grantees; handling tuition, stipends and allowance payments; monitoring student progress; and providing counselling services.

b. Only one of the major organizations, the Council for International Exchange of Scholars, is funded 100% by the Agency, and it is a subsidiary of the American Council on Education. Other organizations receive large amounts of funding from other government agencies but none is fully funded by the U.S. Government.

c. All organizations are constantly being reviewed and their performances monitored throughout the grant period. Formal reviews are conducted periodically on each organization.

d. Each grant proposal is reviewed in detail to ensure that administrative cost requests are reasonable and in direct relationship to the duties which the Agency asks the organizations to perform. Guidelines are sent to all organizations outlining those administrative costs which the Agency will pay and the acceptable levels of inflationary increases. Administrative costs are kept to an absolute minimum. Grant organizations are not allowed to exceed the approved budget plan without a full review and approval by the Bureau's program and budget offices.

RADIO CONSTRUCTION

PROGRAM INCREASE

QUESTION:

You are requesting a program increase of $17,708,000 to continue the modernization and expansion of VOA relay stations. What is the status of the modernization effort? Are you basically on schedule and, if not, what projects are behind schedule and what was the reasons for the delay?

ANSWER:

The Advanced Engineering and Technical Development (AE&TD) work for the Sri Lanka, Thailand, Morocco, and Puerto Rico projects will be completed in the fourth quarter of FY-86. The AE&TD and Architectural/Engineering (A/E) design work for the Botswana project is currently in the procurement process. The A/E work for the Sri Lanka, Thailand, Morocco, and Puerto Rico projects is also in the procurement process. Site development construction is currently in progress on the Morocco and Thailand projects and is scheduled to start on the Sri Lanka project in the third quarter of FY-86. Activities for the acquisition of high cost long lead electronic equipment such as generators and short wave high power transmitters are currently in progress. Three stations, using temporary medium wave facilities, are currently on the air in the Caribbean/Central America area. The contract for the permanent medium wave transmitters for Caribbean/Central America projects will be awarded early in the fourth quarter of FY-86. The A/E contract for the design of the permanent facilities for these projects has been awarded and design work is currently in progress. An agreement has been successfully completed with the host country for the New European project which is scheduled to be on the air during the third quarter of FY-87 using leased transmitters provided by the host country. The contract for the award of the satellite interconnect system which will provide domestic and international satellite interconnects from Washington, D.C., Greenville, N.C., and Delano, Calif. and earth stations for the Belize, Costa Rica, and Antigua facilities is scheduled for award early in the FY-86 third quarter.

The modernization and expansion program is essentially on schedule with the exception of: (1) the New Middle East, New Far East, and the Greece projects where some delay has been experienced with the successful completion of host country agreements, and (2) the Liberia, Philippine, Greenville, and Delano refurbishment projects which have been deferred until FY-91 because of budgetary constraint for fiscal years 87 through 91.

QUESTION:

The budget justifications indicate that you started fiscal year 1986 with an unobligated balance of $80 million in this account and that you expect the unobligated balance at the end of the current fiscal year to be reduced to $66 million. We are almost halfway through the fiscal year. Is this projection still accurate?

ANSWER:

The FY-86 projected carryover of $66 million has now been revised downward to $61 million as a result of the Gramm-Rudman-Hollings budget reductions. VOA anticipates $128 million will be obligated in FY-86 for the Radio Construction program compared with $99.7 million obligated in FY-85. The $61 million to be carried over from FY-86 to FY-87 is required to initiate in FY-86 the lengthy contractual process for contracts that will be awarded in FY-87. Actual obligation of the funds does not take place until the contracts are awarded. These contracts include major procurements for generators, transmitters, and other long lead-time procurement equipment and lesser activities, including architectural engineering work for the new relay stations.

QUESTION:

The budget justifications indicate that a portion of the increase of $17,708,000 is for security enhancements at your overseas relay stations. The Department of State has submitted a security supplemental package which covers USIA facilities overseas, including VOA relay stations. How much are you requesting for this purpose and why is it necessary in view of the State proposal?

ANSWER:

The State security supplemental proposal requested $49,380,000 to be dedicated to the Voice of America during the period FY-86-90. These funds are to be programmed primarily for new sites which will be constructed during this period. Many of these sites will be located in areas in which there exists a medium to high threat. The allocated funds will be expended to implement measures necessary to provide each site with sufficient fences, barriers, safehavens, public access controls, and other security equipment considered appropriate to the threat in a given area.

The $1,100,000 appropriated to VOA in FY-86, on the other hand, as well as the additional $200,000 per year for FY-87 through FY-90 (totalling $1,900,000), is programmed solely for enhancement of security at existing sites, medium- and short-wave, overseas and domestic. This money will be utilized to replace existing or to purchase new security equipment which has deteriorated or has yet to be installed. It will cover items not included in State's supplemental, such as document destruction devices, alarms, surveillance systems, intercoms, and handheld short- and long-range emergency radio equipment.

QUESTION:

How much is in your request for Salaries and Expenses for security for your libraries and cultural offices as well as residential security for your employees?

ANSWER:

USIA's overseas security expenses provides for guard services and minor physical improvements as displayed below:

	1986 Estimate	1987 Estimate
Residential Space	$1,488,630	$1,550,489
USIS Function Space	1,483,399	1,540,626
VOA Facilities	3,652,185	3,945,483
Total	6,624,214	7,036,598

TERMS OF AGREEMENTS

QUESTION:

Have you obtained long term agreements where you are constructing new or modernizing facilities?

ANSWER:

Yes. Twenty-five year agreements have been concluded with Morocco, Thailand, Costa Rica, Belize, and Botswana, and a twenty-year agreement with Sri Lanka. In all cases the term begins with the first operational broadcast of the new station so that we have twenty or twenty-five years of actual broadcasting and lose none of it to construction time. In addition, there are provisions for extensions or renewal of the agreement. We seek similar provisions in the agreements we are now negotiating in Israel, the Far East, and elsewhere.

QUESTION:

Please provide for the record the following information: the terms for obtaining the relay sites; whether concessions were necessary to obtain these sites, i.e., cash payments, economic or military assistance; your estimates as to whether the facilities can be completed and operated for a reasonable period before expiration of U.S. rights to the site; and a comparison of the timetable for completion of the project and the date for which the agency has a firm agreement for occupying the facility.

ANSWER:

The terms vary from agreement to agreement, reflecting the negotiations in each case. In negotiations there are always "concessions" made by both sides, but in no case has U.S. economic or military assistance been a factor. VOA cannot and does not attempt to make such assistance a part of its agreements.

The compensation which VOA has agreed to provide the host government includes one or more of the following: cash payments, provision of radio equipment, share time on the VOA transmitters to be built, technical and professional radio training for host country nationals, rental payments for land, and technical assistance to the host country's radio programs. Also, where a new VOA station is being built to replace an old one, the old one may be turned over completely to the host government (e.g., in Morocco and Sri Lanka).

The stations can be completed and operated for a reasonable period: twenty-five year renewable agreements have been concluded with Morocco, Thailand, Costa Rica, Belize, and Botswana, and a twenty-year agreement with Sri Lanka. In all cases the term begins with the first operational broadcast of the new station so that we have the full terms of the agreement for actual broadcasting and lose none of this time to construction.

Operational broadcasts began last year in Costa Rica and will begin within weeks in Belize. We estimate they will begin in 1991 in Morocco, Puerto Rico, Sri Lanka, and Thailand and in 1992 in Botswana. Broadcasts on the transmitters leased from the German Bundespost are to begin in mid or late 1987.

QUESTION:

Will the transmitters and other equipment be purchased from U.S. manufacturers?

ANSWER:

USIA is committed to a procurement program that fairly and reasonably complies with procurement law and regulation. Federal policy has been established in the Trade Agreements Act of 1979 and in the Competition in Contracting Act of 1984 (CICA). CICA requires full and open competition for transmitter acquisition. The Trade Agreements Act requires us to open competition to all contractors from countries covered by the Act. USIA has aggressively pursued American transmitter manufacturers and equipment suppliers for more than two years to inform them of our plans and intentions and to give them the maximum opportunity to be competitive in the world market. We will fully comply with the requirements of law in effect at the time we actually make the transmitter and equipment procurements. American and European manufacturers would compete equally. No procurement strategy has been firmly established for the major equipment buy(s), but USIA will explore every legal opportunity to maximize the participation by American firms. The selection will consider technical superiority, life-cycle operating costs as well as initial purchase price and capacity to meet delivery schedules. We have no authority to establish any other policies or criteria.

QUESTION:

As you know, last year the Committee recommended that USIA consider purchasing U.S. manufactured equipment for the modernization program in part to ensure the availability of spare parts over anticipated 20 to 30 year life of this equipment. What action, if any, has USIA undertaken in this regard?

ANSWER:

USIA has in the past and continues to keep the manufacturers of major relay station electronic and mechanical equipment apprised of both its technical requirements and the timeframe in which the equipment will be required. Industry production and technical capabilities, both domestic and foreign, are being considered in our acquisition planning and in the ongoing development of technical specifications.

USIA has awarded contracts to date to U.S. firms for 50 kW transportable transmitters, shortwave and medium wave antennas, diesel generators in the 300-500 kW range, and a 500 kW shortwave transmitter. The total amount for these contracts is about $18 million. Future acquisitions for major relay station electronic and mechanical equipment will not preclude the award of contracts to either domestic or foreign manufacturers. The determining factor on whether a contract is awarded to a domestic or foreign contractor will be based on technical and cost benefits.

USIA, as part of its acquisition requirements for transmitters and other major station equipment, may require all equipment suppliers to have demonstrated second sources of supply for all major repair parts and spares. Furthermore, a supplier may receive additional consideration if either of these sources is a U.S. firm. The decision to implement this requirement will be based on cost implications and whether or not it will unduly limit competition.

QUESTION:

We are aware that USIA is testing four 500 kW shortwave transmitters acquired last year at the VOA facility in Greenville, North Carolina. Three of the transmitters were manufactured by foreign companies and one by a U.S. company. What is the status of the testing and when will it be completed? Have you made any preliminary findings regarding the equipment being tested? Do you feel that the testing is proceeding in a fair manner and will produce the results you require to determine the appropriate specs for the complete modernization program?

ANSWER:

USIA testing of four different 500 kW transmitters from different manufacturers will begin in May 1986. Contracts have been awarded to BBC Brown Boveri, Inc., Continental Electronics, AEG, and Marconi Electronics, Inc. for 500 kW shortwave transmitters. All of the transmitters have been delivered to Greenville and are being installed and commissioned. No formal testing has been performed to date, but valuable information has been gained from the suppliers' varied installation techniques. The evaluation, when it does begin, will be conducted using identical test equipment and procedures for all four of the transmitters. The only variable will be the actual performance capability of the individual transmitters. Results of the evaluation will enable USIA to refine its functional and performance specifications for the future acquisition of high power shortwave transmitters.

FACILITY IN PUERTO RICO

QUESTION:

I understand that the new relay station that you are planning for Puerto Rico has been budgeted for $160,000,000. How much of that cost has been appropriated to date and what is the status of the project?

ANSWER:

Funds in the amount of $26,533,000 have been appropriated to date. However, the Gramm-Rudman-Hollings Act reduced this amount by $4,070,294 on March 1, 1986. In January 1985 the Corps of Engineers was tasked with land acquisition, conducting an Environmental Assessment and preliminary engineering work for site development. The preliminary engineering work is now complete. The Environmental Assessment task and the land acquisition task, which now includes only developing the necessary documentation (i.e., appraisals, legal descriptions, and title evidence) for procuring the land, are near completion. In September 1985, the contract for Advanced Engineering and Technical Development (Step 1) was awarded to Atlantic Research Corporation (ARC). This effort should be completed by September 1986.

QUESTION:

I understand that you have encountered some difficulty concerning purchase of a site and that the Government of Puerto Rico is insisting that you lease the site rather than purchase it. Has an appraisal been conducted of the site, and if so, what were the findings?

ANSWER:

At the request of the Puerto Rican Governor we have agreed to allow them to purchase the land and lease it to us. This eliminates a potentially very sensitive issue of federal land ownership on the island. An appraisal of the land is nearly complete and it appears the market value will be between $2 million and $3 million.

QUESTION:

What are the terms of the proposed lease arrangement?

ANSWER:

VOA will lease the land for twenty-five years with an option to renew the lease for an additional twenty-five years at no further cost. VOA will pay the appraised value of the land in advance rent, and will make part of the site available to the Commonwealth Government for agricultural, touristic, or wildlife management activities so long as such activities are compatible with the station's operation as determined by VOA.

QUESTION:

Wouldn't it be more advantageous to the American taxpayers if USIA purchased that site?

ANSWER:

This lease will cost the US Government no more than would purchase of the land and gives us exclusive right to the use of the site for up to fifty years. In all probability short-wave radio broadcasting will have been seriously altered or even replaced by new technology long before 2036 and we may well have no further need of the site by or before then. Effective broadcasting in the most economic way is therefore served as well by a lease as by a purchase. Leasing also provides a major political benefit by avoiding conflict with a Commonwealth government that is very sensitive to federal land "encroachment" on the island. VOA can construct and operate a site far better in a cooperative setting than in one of grudging acceptance.

RADIO BROADCASTING TO CUBA

QUESTION:

Last year Radio Marti began broadcasting 14 and 1/2 hours per day on May 20, 1985. On February 10, 1986, the program was expanded to 17 and 1/2 hours per day. How were you able to expand the program without an increase in resources?

ANSWER:

The programs were added without increasing costs beyond what had already been budgeted, for two reasons. One, with thirty more people onboard than when Radio Marti went on the air May 20, 1985, there was enough programming staff to prepare the additional broadcasts. Two, Radio Marti's shift schedule begins at 1:00 a.m. and ends at 11:00 p.m. Radio Marti was able to shift work schedules and studio times to accommodate the additional three hours.

QUESTION:

What did the expansion cover and what effect did it have on the audience in Cuba and the Cuban government?

ANSWER:

Radio Marti filled the new programming period with programs directed to the primary audience at the time. This audience is largely older females during the week and younger and older females on the weekends. The mid-day hours include an expansion of some of Radio Marti's present programs, a repetition of some programs over the weekend, and the creation of some new programming. One such program is a variety show of talk, features and music and previews of upcoming Radio Marti programs and specials.

New programs have been added during the evening prime time when Radio Marti reaches its largest and most representative audience. These are substantive programs such as a news special of analyses, commentaries, and interviews on current events; a news week in review which focuses on the main news events of the week; and a program of reading, interpretations or dramatizations from important books banned in Cuba. The first program is a book by the well-known Cuban author Armando Valladares on Cuban prisons. Also broadcast under the new schedule is a phone-in talk program whereby Cuban Americans throughout the U.S. can call Radio Marti on an 800 number and record messages to their family and friends in Cuba.

The expansion was initiated in response to audience feedback. By going off the air for three hours in the afternoon, Radio Marti essentially turned its audience over to the competition. Cuban Radio Progreso filled those three hours with programs to attract the afternoon listeners and changed its youth music program to 4:00 p.m. to keep the youth from switching back to Radio Marti when it went back on the air with a youth show at 4:30 p.m.

Information from recent Cuban emigres interviewed by Radio Marti researchers indicated there would be a substantial audience for afternoon programming. In September and November 1985, Radio Marti conducted "focus groups" with a total of 45 participants who regularly listened to Radio Marti before leaving Cuba. It was their consensus that Radio Marti should increase its broadcast hours. Based on feedback from these groups and other audience data, and an evaluation of Cuban radio programming during the three hour period, a block of programming was developed to meet audience interests and keep listeners tuned to Radio Marti.

QUESTION:

You are requesting an increase of $215,000 for the purchase and installation of a 50 kilowatt backup transmitter for the broadcast facility at Marathon, Florida. What facilities are you currently using as a backup for Marathon and why are they not sufficient?

ANSWER:

The backup which can be used is the 22 year old transmitter which has already failed once since Radio Marti went on the air. VOA has loaned Radio Marti one of its portable transmitters, but it will be returned when the new transmitter is installed.

QUESTION:

Will any of the Voice of America's new facilities in the Caribbean be used to broadcast Radio Marti programs to Cuba?

ANSWER:

No. The currently planned medium-wave broadcasting facilities in the Carribbean are too far away to reach Cuba and moreover, the antennas are pointed in directions to service other Carribean areas.

QUESTION:

Is any of VOA's other programming for Latin America beamed to Cuba?

ANSWER:

No. None of VOA's programs for Latin America are beamed to Cuba.

PRINTING COSTS

QUESTION:

We are aware that the Public Printer, at the Government Printing Office (GPO), has certain initiatives to encourage Federal agencies to take maximum advantage of GPO commercial procurement contracts. Also, the new GPO electronic publishing procurements are now saving very substantial tax dollars. We would like to know what plans you may have to increase your reliance on GPO commercial procurements for both printing and electronic publishing.

ANSWER:

This Agency now utilizes the Government Printing Office (GPO) to the fullest possible extent to obtain our commercially produced domestic printing requirements, consisting primarily of multi-copy carbon inter-leaved forms and stationery items. We appreciate the GPO's successful efforts to lower our printing costs either through use of conventional printing methods or the new technically advanced electronic publishing systems. Our low-quantity domestic requirements are produced in-house by our duplication facility as it is not cost effective to send these frequently urgent and/or classified requests to the GPO.

In addition to the domestic printing program, our much larger foreign audience publication program is primarily produced by our overseas printing facilities which are authorized in the Agency's originating legislation (P.L. 402, Sec. 80).

PRIORITY LISTING OF 1987 BUDGET INCREASES

QUESTION:

Your 1987 budget contains funding enhancements for Exchanges ($9.4 million), VOA modernization ($17.7 million), and NED ($1.4 million). Please submit a listing of these in priority order.

ANSWER:

The requested priority listing follows (most important first):

Appropriation/Item	Amount
Radio Construction -- Continued Modernization and Expansion of VOA Relay Stations and Construction of New Facilities:	
Worldwide Operations Center and Network Control	$ 1,220,000
Domestic Satellite Interconnect System	1,000,000
Worldwide Monitoring Analysis	4,000,000
Propagation Software	1,430,000
VOA Automated Aids	700,000
Exchange Programs:	
Enhance Educational Exchanges with South Africa	700,000
Expand Bilateral Exchanges with the Soviet Union	1,155,000
Radio Construction -- New or Refurbished Stations Still Under Negotiation:	
New Station in Israel	3,675,000
New Far East Station	3,071,000
Greece Refurbishment	2,612,000
Exchange Programs:	
Bicentennial of the Constitution	1,450.000
Teacher Exchange Increase	500,000
University-to-University Linkages	800,000
Professional Exchanges	1,000,000
Secondary School Initiative	720,000
Additional Bicentennial of the Constitution Programs	1,150,000
International Educational Development Program (IEDP)	640,000
Hubert H. Humphrey Program	382,000
U. S. Student Program Increases	865,222
Total Funding Enhancements for USIA Programs	27,070,222 *

* Excludes the proposed increase of $1,355,000 in the grant to the National Endowment for Democracy. USIA essentially serves only to process and monitor the grant to this independent, non-profit corporation authorized by P.L. 98-164. With this item included, USIA's FY 1987 requested enhancements total $28,425,222.

RECYCLING OF ENGLISH TEACHING PROCEEDS

QUESTION:

Your 1987 request proposes to increase the usage of proceeds from English teaching. What is the status of this program and why is an increase required?

ANSWER:

This program, after a few years of getting established, has become quite successful this year, FY 86 -- so much so that we will reach the $500,000 cap in May or June 1986. Our posts are now projecting proceeds of about $675,000 this year. This rather sudden jump in activity is a result of the significant increase in the number of posts which have become involved in this recycling activity -- 28 posts in FY 86 compared to 17 in FY 85. Several posts have changed this year from an entrepreneurial program with an autonomous director to a program directly supervised by the post. In addition, the funds derived from the sale of materials have increased due to the promotion of English teaching materials at book fairs and through special arrangements with book sellers.

We are very concerned that the momentum that has been built for the promotion of English language teaching will dissipate quickly when we reach the $500,000 cap and are unable to recycle funds back to posts which need them to pay for incurred obligations. When we reach the cap, proceeds from English teaching activities will have to be deposited in the U.S. Treasury. While this would be of some value to the U.S. Government, it means that tuition payments obtained from students will not be available to pay teacher salaries. Our posts do not have the funds to make these payments. The result will be that the Agency will have to close down these English teaching activities and the proceeds as well as the programs will be lost.

We would hope that some means can be found for action to be taken by the Congress to raise the cap to $675,000 for FY 86. Although the Agency's pending appropriation bill proposes a $600,000 recycling limit in FY 87, it now appears that our potential for recycling funds in FY 87 is closer to $1 million.

CANCELLATION FEES IN THE GERMAN AGREEMENT

QUESTION:

You have proposed new language in the radio construction account that deals with contingent termination or cancellation costs. Why has this been included?

ANSWER:

This, or similar authority is required by the Antideficiency Act (31 USC 1341(a) (1)) and decisions of the Comptroller General to cover any contingent termination liabilities that might arise in the course of the VOA modernization effort. One of the major projects in the modernization program is a transmitting facility to be expanded by the Federal Republic of Germany (FRG). The contract for use of this facility contains a contingency clause, reflecting FRG law, that would make the USG liable for a graduated schedule of cancellation charges relating to transmitters under construction for our use or during the first ten years of use should we terminate use of the facility prematurely. The amount would vary but would never exceed $20 million. While we believe such an action is highly unlikely, the Antideficiency Act and the Comptroller General's decisions require that authority to cover these contingent costs be provided. The amounts involved for this purpose are outside of the scope of the overall modernization project funding. The Agency's requested language would provide the requisite indefinite obligation authority, but no outlays would be incurred unless the contract were actually cancelled.

Comptroller General's decisions of January 28, 1983 and March 20, 1984 (B-174839), attached, dealt with a similar requirement that arose in connection with a U.S. Navy program.

DECISION

THE COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D.C. 20548

FILE: B-174839 **DATE:** March 20, 1984

MATTER OF: Navy Industrial Fund: Obligations in connection with long-term vessel charters

DIGEST:

Provision in Supplemental Appropriations Act, 1983, specifies that termination liability of Navy's TAKX and T-5 ship-leasing programs should be recorded as obligation in the Navy's current operations and maintenance appropriation, but only in an amount equal to 10 percent of outstanding gross termination liability. GAO agrees with Navy position that the enactment constitutes contract authority to cover remaining 90 percent of TAKX and T-5 termination liability.

The Comptroller of the Navy has requested our concurrence in his interpretation of a provision included in the Supplemental Appropriations Act, 1983, concerning the recording of obligations for termination liability for the TAKX and T-5 ship-leasing programs. As discussed below, we agree with his view that the provision constitutes contract authority to cover all but 10 percent of the termination liability arising from the TAKX and T-5 ship charters. Consequently, we agree that, upon charter commencement, TAKX and T-5 obligations should be recorded against the Navy Industrial Fund in an amount equal to the charter costs of each vessel during the 5-year charter period, as well as against the Navy's operation and maintenance (O&M) appropriation for the then-current fiscal year, in an amount equivalent to 10 percent of the gross termination costs that would be due for failure to renew the charters after the initial 5-year contract period.

In our decision 62 Comp. Gen. 143 (1983) we concluded that termination expenses in the TAKX charter agreements constituted one of two alternate obligations for which the Navy would be contractually liable at the end of the first 5-year lease period (the other obligation being the cost of continuing the charter agreement for a second 5-year lease period, plus costs of continuation or termination after 10 years). In order that the Navy's recorded obligation fully reflect this continuation of liability after the initial 5-year lease period, we determined that the Navy should record an obligation to cover termination costs as the less expensive of the two alternate obligations. 62 Comp. Gen. at 147. We further noted that the obligational availability of the Navy Industrial Fund appeared to be insufficient to cover both base-period lease costs and termination expenses, and suggested that the Navy, prior to accepting delivery of all 13 TAKX vessels, seek to increase its funding authority through new appropriations, transfers, or enactment by the Congress of "contract authority" for the program. Id.

As a result of our decision, the Navy sought assistance from the Congress, which enacted the following provision as a part of the Supplemental Appropriations Act, 1983:

> "Obligations incurred or to be incurred hereafter for termination liability in connection with the TAKX and T-5 programs, for which the Navy has already entered into agreements to charter (including conversion or construction related to such agreements or charters) shall, so long as the Government remains liable for termination costs, be considered as obligations in the current Operation and Maintenance, Navy, appropriation account, to be held in reserve in the event such termination liability is incurred, for the purposes of title 31, United States Code, in an amount equal to 10 percent of the outstanding gross termination liability." Pub. L. No. 98-63, tit. I, ch. III, 97 Stat. 301, 308 (1983).

The Comptroller of the Navy has concluded, based on the language and legislative history of this provision, that it is a statutory grant of contract authority for all but 10 percent of TAKX and T-5 termination liability. We agree.

The provision in question requires that any obligation for termination liability in connection with the TAKX and T-5 ship charter programs be recorded against the current O&M appropriation for the Navy, in an amount equal to 10 percent of the outstanding gross termination liability. Because our previous decision required that the Navy include termination liability under the TAKX contracts as part of its entire contractual obligation under the program, we believe that it is clear that the Congress intended the provision in the 1983 Supplemental

Appropriations Act to constitute permanent[1] "contract authority" for 90 percent of that portion of the TAKX and T-5 contractual obligation attributable to termination liability. By reducing the reserve required to be obligated for the potential termination liability below 100 percent, the provision authorizes the remaining unfunded liability. In effect, Congress has approved the existing agreements and provided the Navy with the authority to proceed with the charter agreements in the absence of an appropriation covering the total potential termination liability required by our decision. Id. In addition, the legislative history of the provision shows that its enactment was intended to provide relief to the Navy from the perceived harshness of our decision 62 Comp. Gen. 143 (1983). For example, the House report on the H.R. 3069, later enacted as the 1983 Supplemental Appropriations Act, had this to say about the provision here under consideration:

> "The Comptroller General recently ruled that, in the absence of specific Congressional action, the Navy must obligate sufficient funding to cover the maximum potential termination liabilities for leasing of T-AKX and T-5 ships. As a result, the Navy has been required to post obligations of $1.4 billion even though no appropriations are likely to ever be needed. The Committee believes that the prospect for completion of the T-AKX and T-5 programs is quite good. On an actuarial basis, the probability of the Navy ever incurring any costs due to program termination is quite low. Nevertheless, the Committee believes that the Navy should maintain a reserve of 10 percent of the possible total termination liabilities to cover the unlikely prospect that either a T-AKX or T-5 ship is terminated. A general provision clarifying this requirement is included in the bill." H.R. Rep. No. 207, 98th Cong., 1st Sess. 33 (1983).

In conclusion, it is our view that the Navy may accept delivery of the TAKX and T-5 vessels, if those vessels are otherwise in conformance with the applicable agreements to charter, and in doing so record obligations against the Navy Industrial Fund to cover the costs of the initial 5-year lease period, and against the Navy's O&M appropriation to cover 10 percent of gross termination liability under these contracts.

---

[1] By "permanent", we mean with respect to those TAKX and T-5 vessels for which agreements to charter have been signed. The use of the term "hereafter" indicates that this provision was not intended to be simply a 1-year exemption from the requirement to record full termination obligations, but is to last throughout the lives of the existing agreements. See 36 Comp. Gen. 434, 436 (1956).

for Milton J. Socolar
Comptroller General
of the United States

DECISION

THE COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D.C. 20548

FILE: B-174839 **DATE:** January 28, 1983

MATTER OF: Navy Industrial Fund: Obligations in connection with long-term vessel charters

DIGEST: 1. The Antideficiency Act, 31 U.S.C. § 1431, would not prevent the Navy from entering into the TAKX long-term ship leasing program, to be financed through the Navy Industrial Fund, so long as the unobligated balance of the Fund is sufficient to cover the Government's obligation until commencement of the lease period. Navy may not, through acceptance of vessel delivery, agree to commencement of the lease arrangement if the obligational availability of the Fund is at that time insufficient to cover any consequential increase in the Government's obligation.

2. Under the Navy's TAKX ship leasing program, ship charters will cover a base period of 5 years, renewable up to 20 years at 5-year intervals, and with substantial termination costs for failure to renew. Such contracts, once in effect, should be recorded as firm obligations of the Navy Industrial Fund at an amount sufficient to cover lease costs for the 5-year base period, plus any termination expenses for failure to renew.

By letter dated December 2, 1982, the Comptroller of the Navy requested our opinion as to the proper manner in which to record certain obligations of the Navy Industrial Fund, in connection with two Military Sealift Command programs to build/convert and charter TAKX Maritime Prepositioning Ships and build and charter T-5 Tankers.

The question as originally presented related to the manner of recording termination expenses under the charter contracts. While we shall address that question below, it has become clear from our discussions with Navy officials that their principal concern is with the total amount that should be presently recorded as a firm obligation of the Government under the TAKX program. As is explained in detail below, it is our view that the Navy must record the TAKX program as a firm obligation only to the extent of the Government's maximum potential liability prior to commencement of the initial lease period. Once the Navy, through acceptance of vessel delivery, agrees to commencement of the lease, it must record the TAKX charter

PUBLISHED DECISION
62 Comp. Gen. ......

agreements as firm obligations in an amount sufficient to cover lease costs for the base period, plus termination expenses.[1]

BACKGROUND

Under the TAKX program, vessels are constructed or converted to meet military requirements and are subsequently time-chartered to the Military Sealift Command. The program consists of 13 vessels, provided by three different contractors. The Navy enters into two different agreements with each contractor: an Agreement to Charter and a Charter Party. The Agreement to Charter binds the Government until it accepts delivery of the TAKX vessels (in about two years, we are told). The Charter Party is the actual charter agreement, setting out the rights and responsibilities of the various parties throughout the lease period. Although both contracts are signed at the same time, the Charter Party does not become effective until the "Commencement Date," the date of the Government's acceptance of delivery of the vessels.

Once effective, each Charter Party provides for an initial hire term of 5 years following the construction period, with options to renew for four consecutive 5-year periods. Failure to exercise such options subjects the Government to substantial termination expenses. The capital hire rate during the entire 25-year term of the initial and optional charter periods is computed to repay to the equity bondholders and the owners the full value of their investments, plus interest. The Government may terminate the charter at the end of any 6-month period after the initial 5-year base period, but is thereby subject to termination expenses. Termination expenses are calculated to pay the outstanding principal and interest on the bonds, and to return to the owners their investments plus a rate of return to the date of termination (the "termination value"), less the proceeds of any sale of the vessel (or insurance proceeds in the case of a loss).

---

[1] We do not here address the more fundamental question of whether the Navy Industrial Fund is a proper source for funding such long-term lease arrangements. As we approved the use of the Fund to finance similar contracts in our decision 51 Comp. Gen. 598 (1972), we would not object to the TAKX program on that basis. Nonetheless, this issue will be reexamined by this Office in an upcoming in-depth review of the practice of obligating the Federal Government for multi-billion dollar programs such as the TAKX Prepositioning Ship Program through the use of Industrial funds. See H. R. Rep. No. 943, 97th Cong., 2nd Sess. 48-49 (1982). Similarly, we do not here address the wisdom of long-term leasing, as opposed to purchase, of TAKX vessels.

The Navy's concerns about recording obligations under the TAKX program arise from the fact that current available resources of the Navy Industrial Fund are sufficient to cover only about $2.2 billion of new obligations. Thus, if the Navy must record firm obligations for the 13-ship TAKX program in excess of that amount, it would be necessary to scale-back the program to avoid a violation of the Antideficiency Act. The Antideficiency Act provides that:

> "An officer or employee of the United States Government or of the District of Columbia government may not—
>
> > "(A) make or authorize an expenditure or obligation exceeding an amount available in an appropriation or fund for the expenditure or obligation; or
> >
> > "(B) involve either Government in a contract or obligation for the payment of money before an appropriation is made unless authorized by law."
> > 31 U.S.C. § 1341(a)(1), recodified from 31 U.S.C. § 665(a) (1976).

DISCUSSION

I. Current TAKX Program Obligations

As indicated above, two contracts govern the Navy's obligation under the TAKX program. The first, the Agreement to Charter, is effective upon its signing: it obligates the Navy to accept delivery of vessels conforming to the specifications of the contract. Although the Navy may terminate for convenience at any time prior to accepting delivery, it would be required to pay any amount of basic capitalized costs incurred by the Shipowner up to the date of termination. The second contract, by comparison, is entirely contingent upon completion of the first. The Navy's obligation under the Charter Party agreement does not commence until it has accepted delivery of the TAKX vessels. Termination of the Agreement to Charter would simultaneously terminate the Charter Party, with no additional liability on the part of the Government.

Because the Navy's obligation under the Charter Party will not commence until it has accepted delivery of the TAKX vessels, it is our view that the Navy is not required to record a firm obligation under that contract until the contract becomes effective. Nevertheless, until the vessels are delivered there is, through the Agreement to Charter, a contingent liability, based on the possibility that the Government will in fact be bound by the Charter Party. That potential liability, however, is limited by the Navy's own power to terminate the Agreement to Charter at any time prior to delivery. In our opinion, therefore, the Navy should record an obligation in an amount sufficient to cover its maximum potential liability prior to acceptance of the TAKX vessels. As we have been informed by the Navy that the current unobligated balance of the Navy Industrial Fund is sufficient to cover this obligation for all 13 TAKX vessels, we do not consider the Antideficiency Act to be a bar to the Navy's present program. We would caution, however, that once the delivery of vessels is accepted by the Navy, any new obligation, based on the terms of the Charter Party, may not exceed the unobligated balance of the Fund at that time.

II. Recording of Charter Party Obligations

As mentioned above, the question initially raised by the Navy related to the manner in which Charter Party termination expenses should be considered for purposes of recording obligations of the Navy Industrial Fund. While Charter Party obligations need not be recorded until the Navy accepts delivery of the TAKX vessels, there is some concern on the part of Navy officials that the unobligated balance of the Navy Industrial Fund may at that time be insufficient to cover all obligations, particularly if the Navy is required to include charter termination expenses. To avoid overobligating the Fund, the Navy has proposed to record as firm obligations under TAKX Charter Parties only the lease amounts due during the 5-year base period. Any additional expenses (i.e. termination costs after the base period) would not be recorded as firm obligations, but would be treated as contingent liabilities, shown as footnotes to the financial records of the Fund.

The Navy has argued that its proposed treatment of TAKX Charter Party termination expenses is consistent with title 2, section 13 of our Policy and Procedures Manual for Guidance of Federal Agencies, which describes the types of liabilities to be recorded as obligations. Subsection 13.2 of the Manual provides that contingent liabilities need be recorded as expenses only to the extent it is probable that a liability will be incurred and its amount reasonably estimated. Otherwise, as is indicated in our decision 37 Comp. Gen. 691, 692 (1958), contingent liabilities may be shown as footnotes to the appropriate financial statements.

Having examined the contracts in question and the proposed treatment of termination expenses, we cannot agree that those expenses may be shown as footnote items. We recognize that these specific expenses are technically "contingent" in that they will arise only upon the happening of one of several events (for example, failure to renew, termination for convenience of the Government, or loss after delivery). If none of the contingent events arises, however, the Government will have a substantial alternative obligation. A principal example would be the continuation of the charter through the Navy's exercise of the renewal option. Renewal by the Navy would at that time create a new obligation to pay lease costs for the second 5-year period, plus termination expenses (unless, of course, the second renewal option was in turn taken). This process of replacing one obligation with another would continue throughout the full 25-year period, with the unliquidated obligation at each renewal period (i.e. the termination cost) being replaced by that created by continuation of the contract.

It is probable from the nature of these contracts that the Navy will choose to renew at each 5-year period. Nonetheless, any new obligation created by continuation of the contract will in fact exceed termination expenses after the 5-year base period. Whether the contract is continued only for one additional 5-year period (including termination costs) or up to the full 25 year lease term of the charter (at a cost over that period of about $13 billion, we are told), the total expense to the Government of continuing the lease past the initial base period will be more costly than termination. It is our view, therefore, that each Charter Party, once in effect, should be recorded as a firm obligation to pay lease costs for a 5-year base period, plus termination costs after that time. This would represent the least amount for which the Government will be liable under the contract. See 48 Comp. Gen. 497, 502 (1969), in which we stated in the context of revolving funds that we would have no objection to contracting for a basic period with renewal options, provided that funds were obligated to cover the cost of the basic period, plus any charges payable for failure to exercise the options. 2/

Based on the above, it appears that the Navy may be precluded from accepting delivery of (and thereby chartering) all 13 ships under the TAKX program, unless the obligational availability of the Navy Industrial Fund is increased in some manner. There are several ways that this might be accomplished. One would be by the direct infusion of funds through appropriations, or by transfers from other Defense Department accounts. Another way would be through enactment of specific "contract authority" for this program (specific authority to contract in excess or advance of appropriations). See, e.g., 56 Comp. Gen. 437, 444 (1977). Finally, the Navy might ask the Congress for specific statutory authority, at least for this particular program, to include anticipated reimbursements from future orders as budgetary resources of the Navy Industrial Fund. The Department of Defense has previously stated that it already has such authority with respect to its Industrial funds. We do not share this view. See our report "The Air Force has Incurred Numerous Overobligations in its Industrial Fund," AFMD-81-53, App. III, August 14, 1981.

CONCLUSION

Based on the foregoing, we have no legal objection to the Navy's TAKX program, so long as current obligational availability of the Navy Industrial Fund is sufficient to cover the Government's present obligation, that is, until the Navy, through acceptance of vessel delivery, agrees to the commencement of TAKX leases. Once TAKX

2/ In 51 Comp. Gen. 598, 604 (1972), we sanctioned an arrangement very similar to the present one, and in so doing, distinguished 48 Comp. Gen. 497 (1960). Our 1972 decision, however, did not reflect a different view of the types of commitments that must be recorded at the time that a contract becomes effective. Instead, we distinguished 48 Comp. Gen. 497 (1960) on the basis that the Navy had no need to rely solely on cash reserves of the Navy Industrial Fund in order to cover its obligations under the lease program. In 1972 we were persuaded that sufficient budgetary resources were available to cover all obligations under the program through exercise of the Navy's authority to transfer funds from other sub-accounts of the Navy Industrial Fund, or from other working capital funds. In the present case, however, the Navy is unable to assure us that it would be able to cover all TAKX Charter Party obligations in this manner.

charter agreements become effective, the Navy must record such agreements as firm obligations of the Fund to the extent of lease costs for the 5-year base period, plus any termination expenses for failure to renew. The obligational availability of the Fund must at that time be sufficient to cover any increase in the Government's obligation by reason of commencement of the lease period.

for Milton J. Socolar

Comptroller General
of the United States

IMPACT OF POTENTIAL REDUCTIONS IN FUNDING LEVELS

QUESTION:

What would be the impact on the activities of each element in the Agency if each element received the same amount for FY 1987 that was appropriated for FY 1986 before sequestration with no other adjustment for uncontrollable items?

ANSWER:

Funds totalling $875.0 million were appropriated to the Agency in 1986. The Agency estimates that a total of $949.0 million would be required in 1987 to maintain the program level and VOA modernization schedule that would have been undertaken with the original 1986 availability. If the Agency's 1987 appropriations were kept at the 1986 level, the kinds of actions discussed in the following paragraphs would be necessary. These should be regarded as illustrative, and for the Salaries and Expenses funded operations represent an across-the-board cut that the Agency is determined to avoid; the Agency has formed a task force to study ways in which these cuts would be accommodated, as outlined in an answer to a later question. Should the Agency actually experience these lower funding levels, we will reevaluate and readjust the relative priority of these programs in light of the world situation as it exists at that time, technological developments, and the likely impact of USIA's efforts in a given area or situation.

The first reduction would involve funds totalling $37.6 million that were included in the Agency's 1987 estimates to enable USIA to consolidate the rebuilding and enhancement of the Agency's program capabilities accomplished over the past several years or made possible by the regular FY 1986 Appropriations Act (P.L. 99-180), prior to the 1986 reductions required by the Balanced Budget and Emergency Deficit Control Act of 1985. Were the Agency to be held to the $875.0 million level in 1987, we would not be able to accomplish this consolidation. Thus, the deferrals and temporary reductions made in 1986 to accommodate P.L. 99-177 would have to be made permanent.

At the $875 million funding level we would be forced to take the following actions: close approximately 30 overseas installations, such as reading rooms and cultural centers and including, in some cases, branch posts; reduce VOA broadcast time in several language services; reduce support for overseas schools attended by dependents of foreign service officers by approximately 25 percent; reduce private sector-related activities, including cutbacks in the Artistic Ambassador program; provide fewer services for foreign students studying in the U.S.; cut back on the expansion of the highly effective WORLDNET networks; curtail satellite file placements in overseas television; reduce overseas exhibits; cut back

Management support activities would also be reduced, decreasing our ability to respond to the needs of our program operations and employees; GAO-mandated improvements in our financial services would be delayed; and security investigations and other administrative services would be curtailed. Grant activities of the National Endowment for Democracy and the East-West Center would be reduced.

This level would also necessitate a rollback in our recent gains in Educational and Cultural Exchange Programs. Finally, the modernization of the VOA would be adversely affected. Specifically, our ability to implement the agreements we have already concluded and are now negotiating with foreign governments would be seriously impaired.

QUESTION:

If the Agency received the same amounts in FY 1987 that it received in FY 1986 after sequestration, what would be the impact on the activities of each element?

ANSWER:

Funds totalling $875.0 million were appropriated to the Agency in 1986. The President's sequestration message reduced this amount by $37.6 million, for a total 1986 availability of $837.3 million. All of the following reductions would be in addition to those listed above. As in the case of the previous question, these should be regarded as illustrative.

The Agency would be forced to close approximately 4 additional branch posts and an American Center; make further delays in the implementation of the WORLDNET networks; make greater reductions in the American Participant program; and make damaging reductions in the press service, which could easily result in severe lags in scheduled distribution of periodicals.

This level would also affect the Agency's ability to maintain exchanges programs. We would be forced to effect reductions in all aspects of our exchange programs, including academic exchanges, which include the prestigious Fulbright program; the International Visitor program; private sector programs; and the Congress-Bundestag and other youth exchange programs. At this level, we would also be forced to slow significantly the pace of the Congressionally-endorsed multi-year VOA modernization effort.

This would also force further reductions in the grant-making activities of the National Endowment for Democracy and the East-West Center.

QUESTION:

What would be the impact on each of the elements in the Agency if each were to receive a percentage reduction of 8.4 percent below the 1986 amount, adjusted for sequestration?

This would also force further reductions in the grant-making activities of the National Endowment for Democracy and the East-West Center.

QUESTION:

What would be the impact on each of the elements in the Agency if each were to receive a percentage reduction of 8.4 percent below the 1986 amount, adjusted for sequestration?

ANSWER:

Funds totalling $875.0 million were appropriated to the Agency in 1986. The President's sequestration message reduced this amount by $37.6 million, for a total 1986 availability of $837.3 million. A reduction of 8.4 percent below this amount would place the Agency's funding level at $767 million. All of the following reductions would be in addition to those listed in the previous two questions. As in the case of the previous questions, these should be regarded as illustrative.

The Agency would be forced to close approximately 10-15 additional posts; eliminate up to one-half of the satellite circuits between VOA Washington and the relay stations, forcing a return to shortwave feeds, which would result in a severe loss of signal strength and program quality throughout the world; effect further reductions in the student support program; cancel rentals of non-VOA transmitters, which would eliminate important programming coverage in South America (VOA has no other major coverage in the southern cone of South America, and abrupt cancellation of any of these arrangements could strain international relations); reduce the already low stock levels at VOA relay stations, resulting in a higher probability of prolonged broadcast outages; eliminate more satellite circuits between VOA Washington and relay stations; reduce librarian positions in the field; reduce the English Language Teaching by Broadcast program; and reduce bilaterally funded youth exchange programs with Germany, Israel, Japan, and the United Kingdom, and with developing countries in Latin America, the Caribbean, and Sub-Saharan Africa; stop WORLDNET network development; reduce "Dialogue", the Agency's prestigious flagship magazine, by 8 color pages; reduce "Topic" magazine by 16 pages, a 25 percent reduction that would send a very negative signal to sub-Saharan Africans; reduce Spanish, French and Arabic translations of Wireless File material; and reduce pamphlet production by 25 percent. In addition, all aspects of the Educational and Cultural Exchange Program would be subject to very serious curtailment, losing many of the gains of the last four years.

The VOA modernization program would essentially be placed on hold for FY 1987, a critical year in which major steps forward will otherwise take place. Activities of the National Endowment for Democracy and the East-West Center would be severely curtailed.

The seriousness of these cuts, when aggregated with those in the two previous questions, should not be underestimated. The closure of some 50 overseas installations and the serious curtailment of VOA, television, program support, and exchange programs and operations would amount to a unilateral disarmament in the ideological struggle now taking place in the world.

QUESTION:

What action is the Agency taking to consider these possibilities -- have you formed a task force or done any contingency planning?

ANSWER:

Yes, we have established a Program and Operations Review Group, staffed by senior officials and chaired by the Deputy Director of the Agency. The Review Group is to undertake a comprehensive review of the Agency's activities and to formulate recommendations for accommodation of possible 1987 budget reductions. The Review Group's focus as it meets with Agency elements will be to set priorities for programs and projects in relation to Agency objectives and goals, and to assist elements in developing new approaches to sustaining priority programs and operations with reduced resources. The Review Group is scheduled to complete its work at the end of May.

QUESTIONS SUBMITTED FOR THE RECORD BY MR. CARR

CENTRAL AMERICAN STUDENT SCHOLARSHIP PROGRAM

QUESTION:

1) What are your plans for the Central American student scholarship program? Please detail what USIA has completed in its program up until today. How has it used the funds that were appropriated for this program? Are there any students from Central America that are now in this country. If so, where are they?

ANSWER:

Activity on the Central American Undergraduate Scholarship Program began in March 1985, with the selection of the fields of study (education, business, communications, nutrition, natural sciences, engineering, and the social sciences), the setting of selection criteria and the advertisement of the Program in the seven Central American countries. The response was overwhelming, with over 500 inquiries in Guatemala alone. The Agency published a Request For Proposals in the Federal Register which elicited program proposals from 110 U.S. colleges and universities. An in-house review committee selected twelve universities to host the Central American undergraduate students.

Abroad, all applicants were screened for their academic background and financial means. Those who met the criteria took both the Spanish-language Standard Achievement Test (SAT) and pre-Teaching of English as a Foreign Language (TOEFL) test. On the basis of their scores, semi-finalists were selected. All were interviewed by a three-person team which included a foreign student admissions officer from a U.S. university. Finalists were selected on the basis of the personal interview and the test scores. The students' dossiers were forwarded to the American universities which had the final say on whether to admit the students; all were admitted.

The 154 students selected for the Program arrived in the U.S. on January 13, 1986. The group includes 40 teachers from Belize and Honduras. After a three-day orientation session in Miami, they went directly to their respective American campuses where most began intensive English classes. The project directors at the U.S. universities report that all the students will have English at the appropriate level to begin regular academic course work this fall. The attached table indicates the placement of the students by institution and by discipline and country.

The Congress appropriated a total of $4,600,000 for this Program. The funds will cover costs for the up-to-30 month period the students will be here. Funds have been obligated for selection costs, students' travel to the U.S. and return, intensive English training, tuition, clothing and book allowances, student counseling and monitoring, monthly stipends and orientation and enrichment activities which include a week in Washington this May to introduce the students to the U.S. government including the role of Congress, the presidency and the courts.

The universities report that the students are more qualified and motivated than Central American students who apply for admission on their own. The universities are extremely pleased with the students who are bright, hard working and eager to obtain their degrees and return home to begin their careers. The Agency itself is very pleased that its criteria and selection process resulted in a group of very academically talented individuals whose financial means would never have permitted them to study in the U.S. were it not for this scholarship program.

The response to the program in Central America has exceeded the Agency's most optimistic expectations. Our U.S. ambassadors in Central America have made clear to the Agency that this program is vitally important and have communicated their concern that the program be allowed to continue now that expectations have been created. Based on the very succesful beginning of this program, the Agency is requesting Congressional authorization to proceed with recruitment of a second group of students this spring.

Student placement by university is shown on the following chart.

CENTRAL AMERICAN UNDERGRADUATE SCHOLARSHIP PROGRAM
Student Placement by University

University	Number of Students
St. Michael's College Winooski, VT	15
Indiana University of Pennsylvania Indiana, PA	16
Spring Hill College Mobile, AL	10
Louisiana States University Baton Rouge, LA	10
University of Arkanasas at Little Rock Little Rock, AR	10
University of Wisconsin at Eau Claire Eau Claire, WI	16
Iowa State University Ames, IO	15
Mankato State University Mankato, MI	10
Murray State University Murray, KY	10
University of Louisville Louisville, KY	15
Linfield College McMinnville, OR	12
University of Texas at El Paso El Paso, TX	15
TOTAL	154

HANDICAPPED SPORTS

QUESTION:

Last year, this Committee provided $2.3 million for various international competition expenses for handicapped groups. Have these groups met with USIA yet?

ANSWER:

They have corresponded with USIA and, in some cases, communicated by telephone with USIA officials. On January 29, the Agency issued a Federal Register Announcement on the availability of appropriated funds to reimburse qualified organizations for expenses incurred in the conduct of international games for the handicapped held in the United States. Copies of the Announcement were sent to the seven organizations mentioned in the legislation (PL 99-93) along with instructions on submitting claims.

QUESTION:

Have the funds been disbursed?

ANSWER:

Funds will be disbursed during the first week of April to six of the seven organizations that have submitted claims, in the following reimbursement amounts:

National Handicapped Sports & Recreation Association	$75,000
Ninth Annual National Championships for Blind Athletes	7,965
Fifth National Amputee Championships	56,245
1985 National Cerebral Palsey/Les Autres Games	146,132
National Wheelchair Athletic Association	40,000
Organizing Committee for the XV World Games of the Deaf	1,164,485

In addition, Special Olympics, Inc. submitted a claim for reimbursement on March 26 (nearly a month after the February 28 deadline for submission). Its claim is currently under review.

QUESTION:

Has an audit been done on the groups involved? If so, what are the results of the audit?

ANSWER:

Except for Special Olympics, Inc, as noted above, an on-site audit was conducted for all groups. The results of audit recognized total revenue as an offset against total expenses. Two organizations, National Handicapped Sports and Recreation Association and the National Wheelchair Athletic Association, had allowable costs in excess of revenue which were greater than the limit specified in the legislation. Two others, the 1985 National Cerebral Palsey/Les Autres Games and the Los Angeles Organizing Committee for the XV World Games for the Deaf, had allowable costs in excess of revenue which were less that the limit specified in the legislation. The accounting system of two organizations, the U.S. Association for Blind Athletes and the United States Amputee Association, were inadequate to account for funds and, therefore the recognized allowable costs were substantionally less than the legislative limit. These organizations plan to provide additional documentation to justify previously claimed costs.

QUESTION:

It is my understanding that the legislation provided funds for all items involved in the handicapped competitions except for fundraising commission expenses and public relations. If that is the case, will fundraising commissions be disallowed? Will the funds that are raised in the Public Sector be counted against actual expenditures at the sports events -- minus the fundraising and public relations costs -- or will the Private Sector be allowed to pay for public relations commissions?

ANSWER:

The private sector is allowed to pay for fundraising and public relations expenses from funds raised in the private sector. Thus, these expenses are offset against total revenue. The only exception is a twenty percent fundraising commission contracted for by the Los Angeles Organizing Committee for the XV World Games for the Deaf which was to be based on the amount of federal funds received by the organization. This item was not included as an allowable expense for the World Games for the Deaf for such an offset.

NATIONAL ENDOWMENT FOR DEMOCRACY

QUESTION:

What is USIA'S relationship to the National Endowment for Democracy? Does USIA approve all the grants that are made by the Endowment? Does USIA have an overriding policy for the Endowment? If so, what is that policy?

ANSWER:

The relationship between USIA and NED is that of a grantor and grantee. The Agency takes a keen interest in NED's activities, but we are also careful not to engage in any activity which would violate its status as a member of the private sector, since that was the intent of PL 98-164, the legislation creating NED.

USIA does not approve any grant proposal under consideration by the Endowment. Endowment officials have occasionally solicited general advice on the kinds of projects that would be most useful to countries in certain parts of the world. The Endowment does not, as a matter of routine, consult with the Agency before the awarding of a grant. Under the terms of our grant agreement with NED, the Agency receives a copy of each grant following its approval by the NED board.

It has been USIA's policy, since signing the initial grant with NED, that our oversight responsibilities are essentially the same as any other Federal grantor to a grantee. That is, we have both a right and a responsibility to ensure that Federal funds are spent according to law and the terms of the grant, and we may require certain conditions of NED, such as our right of audit as established in PL 99-930. In a decision dated June 6, 1985, the Comptroller General concluded that, in providing statutory grant funds to the Endowment, USIA has essentially the same oversight rights and responsibilities as any other Federal grantor agency.

WITNESSES

	Page
Atwood, Brian	455
Betancourt, E. F	1455
Blitz, Mark	1455
Carlson, R. W	1455
Carver, H. S.	295
Gershman, Carl	455
Harvey, T. E.	1455
Holloway, E. T	295
Horner, Charles	1455
Kemble, Eugenia	455
Kingman, Woodward	1455
Li, V. H	1455
Mendez, P. J	1
Richardson, John	455
Schuette, Keith	455
Silverman, S. M	1455
Smith, Morton	1455
Snyder, Alvin	1455
Sullivan, John	455
Turnbull, R. A	295
Wentzel, J. H	1
Wick, C. Z	1455

○